

30 April 2015

## Quarterly Report for the period ending 31 March 2015

### Significant Points

#### GROUP

- Safety - one Lost Time Injury, LTI Frequency Rate decreased from 9.4 to 5.0
- Group Nickel Production - **4,717t Ni in concentrate/ore**
- FY2015 production guidance - **revised down to approximately 19,500t Ni in concentrate/ore**
- Costs - Group payable cash costs (inclusive of royalties) of **US\$4.72/lb (A\$6.00/lb), C1 Cash Cost A\$3.76/lb**
- Liquid Assets - **\$72 million**

#### NICKEL

##### Savannah

- Production - **2,259t Ni in concentrate**
- Costs - payable cash costs A\$5.68/lb Ni (inclusive of royalties), **down 9%**
- Exploration - **more excellent drilling results below the 900 Fault and on the Western Splay**
- Savannah North - **mineralised zone extended, exploration drive completed, Resource definition drilling underway**

##### Lanfranchi

- Production - **2,458t Ni in ore**
- Costs - payable cash costs A\$6.34/lb Ni (inclusive of royalties), up on lower production
- Exploration - **high-grade discovery at Lower Schmitz and further high-grade mineralisation intersected**
- Jury-Metcalf - development of decline/exploration drive commenced

#### GOLD

##### Gidgee

- Study work is continuing

##### Mt Henry (PAN 70%)

- Feasibility Study - the document is in the final stages of preparation

#### PGM

##### Panton

- First phase of flotation optimisation test work on fresh ore samples commenced, initial results positive

##### Thunder Bay North

- Rio has begun work under the Earn-in Option Phase, spending C\$20 million over 5 years to earn 70%, minimum commitment C\$5 million

#### CORPORATE

- Share Buy-back - on-market buyback commenced
- FY2015 Interim Dividend - 1 cent per share fully franked dividend declared and paid
- Hedging - US\$ diesel price call options purchased, providing a ceiling price while retaining exposure to further falls

## Managing Director's Commentary

- **Safety and Environment** - a significant reduction in the Lost Time Injury Frequency Rate (LTIFR) was achieved, although one Lost Time Injury (LTI) was recorded at Savannah. An external review of recent safety incidents was completed at Savannah and a similar review will be conducted at Lanfranchi. Improvement plans will be developed and implemented based on the findings of the independent reviews together with information obtained from the in-house Safety Forum that included valuable input from industry leaders.
- **Liquid Assets** - cash and receivables totalled \$72 million at quarter end, with cash at bank of \$61 million. The Nickel Division generated a **\$12 million operating surplus** (after including Perth Office costs and greenfield exploration).

- **Nickel Division**

**Production** - **Group nickel in concentrate/ore of 4,717t** was below budget due to the lower than forecast contribution from Lanfranchi. Seismic activity at Lanfranchi that occurred after the release of the preliminary statistics for the March 2015 quarter, has impacted on April production and has resulted in unscheduled rehabilitation work and the rescheduling of some budgeted FY2015 production into FY2016. **As a result, Group FY2015 Production Guidance has been reduced to approximately 19,500t contained nickel in concentrate/ore.**

**Costs** - the Group payable unit cash cost (inclusive of royalties) averaged A\$6.00/lb, similar to the previous quarter. **On a US\$ basis, the Group payable unit cash cost averaged US\$4.72, which was down 7%.** Aggregate site costs were down at Lanfranchi and up at Savannah (which includes the contribution from Copernicus), and steady on a Group basis.

- **Gold Division**

**Strategy** - work continues on the feasibility studies for the two gold projects. To realise the inherent value in these projects, the Company is planning to commence a parallel IPO/trade sale process during the June 2015 quarter.

**PGM Division** - at Thunder Bay North (TBN), **Rio Tinto Exploration Canada (RTEC) has elected to proceed to the Earn-in Option Phase under the 2014 Agreement.** RTEC is required to spend C\$20 million (minimum C\$5 million) on exploration and technical studies over five years to earn a 70% equity interest in the TBN Project.

**This is a positive development for the TBN Project as it will bring the skills and resources of RTEC into the Project and strongly supports our view on the prospectivity of the Project.** Importantly, RTEC's involvement will allow Panoramic to focus resources on its core nickel business, advancing the Panton PGM Project, realising value from the gold projects and other corporate initiatives.

At Panton, the desk-top study by GR Engineering Services Limited on previous metallurgical test work has confirmed there are opportunities to improve the flotation performance of the Panton ore. The first phase of test work to review these opportunities has commenced with positive results.

- **Exploration** - the Group's exploration programs remain primarily focussed on adding mine life at both nickel operations and are having good success:
  - **Lower Schmitz** - further high-grade intersections have been reported following on from the initial discovery hole which intersected three zones of high-grade nickel.
  - **Savannah North** - the exploration drive to facilitate Resource and Reserve definition drilling and further testing of the two zones of mineralisation is complete. The initial 25,000m Resource definition program has commenced.
  - **Savannah sub 900 Fault** - further excellent results have been received from Resource definition drilling.

- **Corporate**

**Share Buyback** - as at the date of this release, 851,809 shares in the Company have been bought back and cancelled.

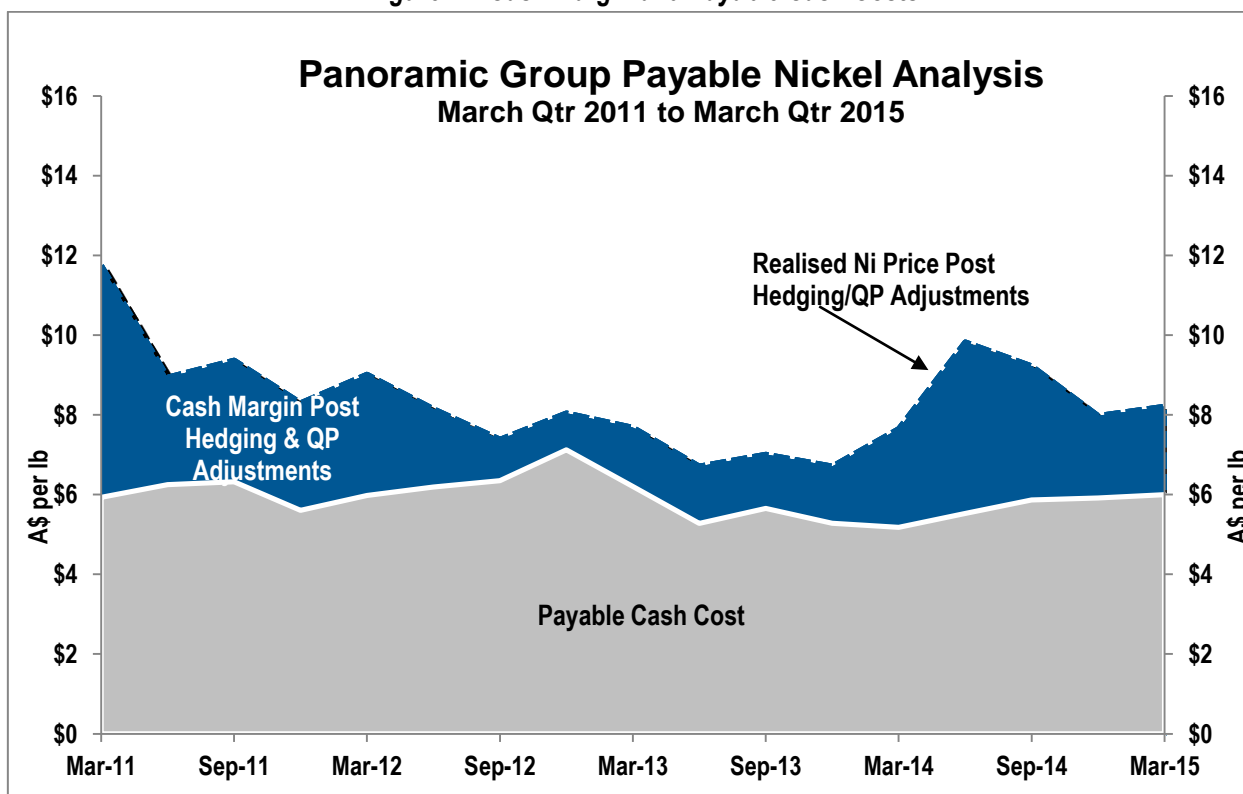
**Cost Savings** - in light of the recent pullback in the nickel price, **there has been a renewed focus and commitment to secure additional and sustainable cost savings and productivity improvements across the business.**

**Hedging** - the Company took advantage of the fall in the oil price and purchased ~2.0 million litres of US\$ diesel call options at an exercise price of US\$0.48/litre for delivery July 2015 to December 2015 (330,000 litres per month) and 3.0 million litres of US\$ diesel call options at an exercise price of US\$0.55/litre for delivery January 2016 to June 2016 (500,000 litres per month).

## Group Summary

The Panoramic Group A\$ cash margin, on a payable nickel basis, is shown in Figure 1 which records the Panoramic Group payable nickel unit cash costs on a quarterly basis from the March 2011 quarter, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period pricing adjustments).

**Figure 1 – Cash Margin and Payable Cash Costs**



**Table 1 – Group Nickel Production and Unit Costs**

|                                                         | Units              | Savannah (a)<br>3mths ending<br>31 Mar 2015 | Lanfranchi<br>3mths ending<br>31 Mar 2015 | Total Group<br>3mths ending<br>31 Mar 2015 | Total Group<br>Previous Qtr<br>Dec 2014 |
|---------------------------------------------------------|--------------------|---------------------------------------------|-------------------------------------------|--------------------------------------------|-----------------------------------------|
| Ore Mined                                               | dmt                | 219,541                                     | 109,546                                   | 329,087                                    | 331,973                                 |
| Average Mined Nickel Grade                              | %                  | 1.23                                        | 2.24                                      | 1.57                                       | 1.59                                    |
| Nickel in Ore Mined                                     | dmt                | 2,696                                       | 2,458                                     | 5,154                                      | 5,288                                   |
| Nickel in Concentrate/Ore                               | tonnes             | 2,259                                       | 2,458                                     | 4,717                                      | 4,825                                   |
| Copper in Concentrate/Ore                               | tonnes             | 1,306                                       | 219                                       | 1,525                                      | 1,517                                   |
| Cobalt in Concentrate/Ore                               | tonnes             | 114                                         | -                                         | 114                                        | 111                                     |
| <b>Costs Per Pound Payable Nickel</b>                   |                    |                                             |                                           |                                            |                                         |
| Mining                                                  | A\$ per lb         | 3.75                                        | 3.66                                      | 3.70                                       | 3.65                                    |
| Milling                                                 | A\$ per lb         | 1.62                                        | -                                         | 0.84                                       | 0.83                                    |
| Administration                                          | A\$ per lb         | 1.26                                        | 0.70                                      | 0.99                                       | 1.13                                    |
| <b>Payable Operating Cash Costs (Mine Gate)</b>         | <b>A\$ per lb</b>  | <b>6.63</b>                                 | <b>4.36</b>                               | <b>5.53</b>                                | <b>5.61</b>                             |
| Haulage                                                 | A\$ per lb         | 0.28                                        | 0.32                                      | 0.30                                       | 0.30                                    |
| Port Charges/Shipping                                   | A\$ per lb         | 0.32                                        | -                                         | 0.17                                       | 0.15                                    |
| Ore Treatment                                           | A\$ per lb         | -                                           | 1.52                                      | 0.73                                       | 0.54                                    |
| Net By-product Credits                                  | A\$ per lb         | (2.02)                                      | (0.20)                                    | (1.14)                                     | (1.06)                                  |
| Royalties                                               | A\$ per lb         | 0.47                                        | 0.34                                      | 0.41                                       | 0.38                                    |
| <b>Total Payable Operating Cash Costs<sup>(b)</sup></b> | <b>A\$ per lb</b>  | <b>5.68</b>                                 | <b>6.34</b>                               | <b>6.00</b>                                | <b>5.92</b>                             |
| <b>Total Payable Operating Cash Costs<sup>(c)</sup></b> | <b>US\$ per lb</b> | <b>4.47</b>                                 | <b>4.99</b>                               | <b>4.72</b>                                | <b>5.07</b>                             |

(a) Including contribution from Copernicus

(b) Group capital development cash cost for the quarter was A\$1.12/lb. This cost is not included in Table 1. Capital development costs represent capitalised mining cash costs for deposits in production. These costs do not include pre-production costs for deposits being developed for future mining.

(c) Average March 2015 quarter RBA US\$/A\$ settlement rate of US\$0.7866 (Average December 2014 quarter exchange rate was US\$0.8566).

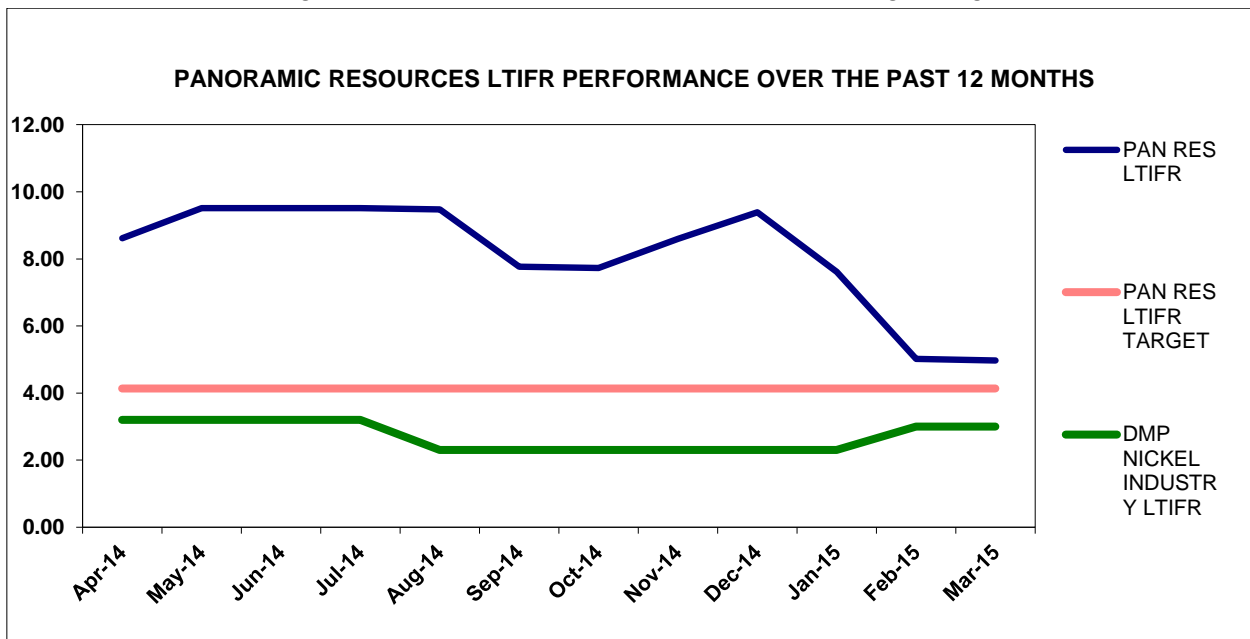
## Safety

One lost time injury (LTI) was reported at Savannah, this involved a contract truck driver who suffered cuts and lime burns to his legs while loading lime into the lime silo.

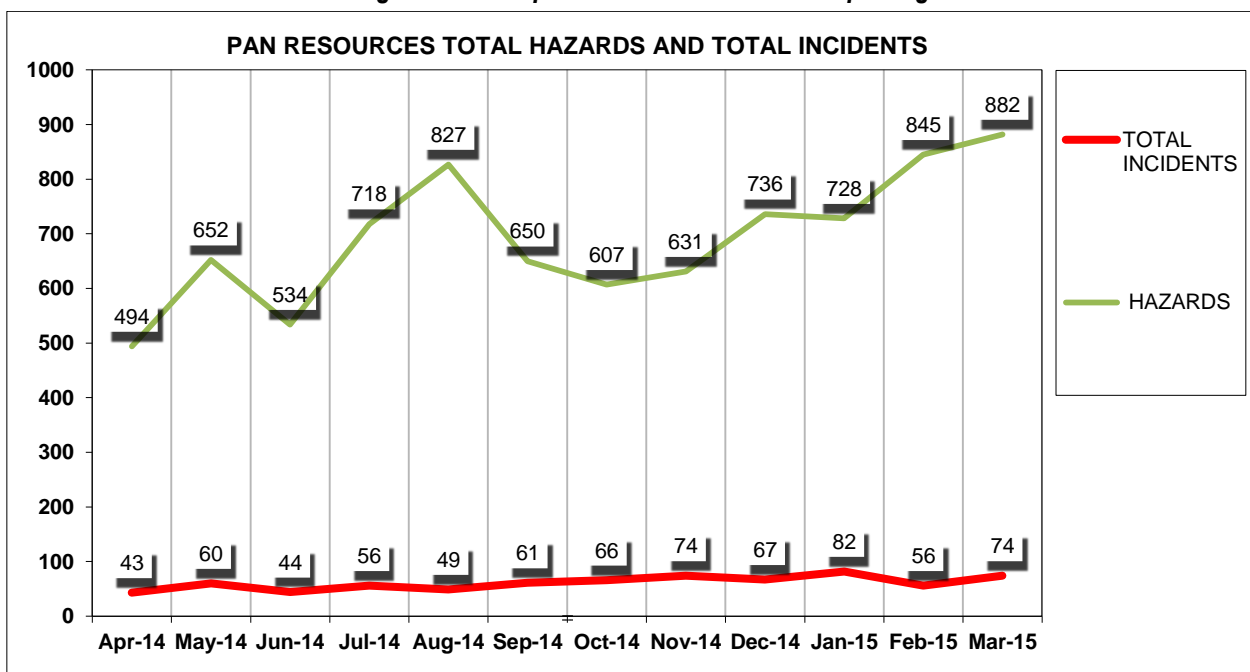
A number of safety review meetings were held with contractors and employees, resulting in new safety plans being agreed and introduced to improve safety performance.

The 12 month moving average Group LTI Frequency Rate (LTIFR) **decreased from 9.4 to 5.0**. Figure 2 shows the Group actual and target LTIFR against the 2012/13 WA Nickel Industry Average LTIFR of 3.00, as published by the WA Department of Mines and Petroleum (DMP). Figure 3 shows the Group hazard and incident reports over the last 12 months. Hazard reporting has increased, whilst the number of incidents remains steady.

**Figure 2 – Group LTIFR Performance (12 month rolling average)**



**Figure 3 – Group Incidents and Hazards Reporting**



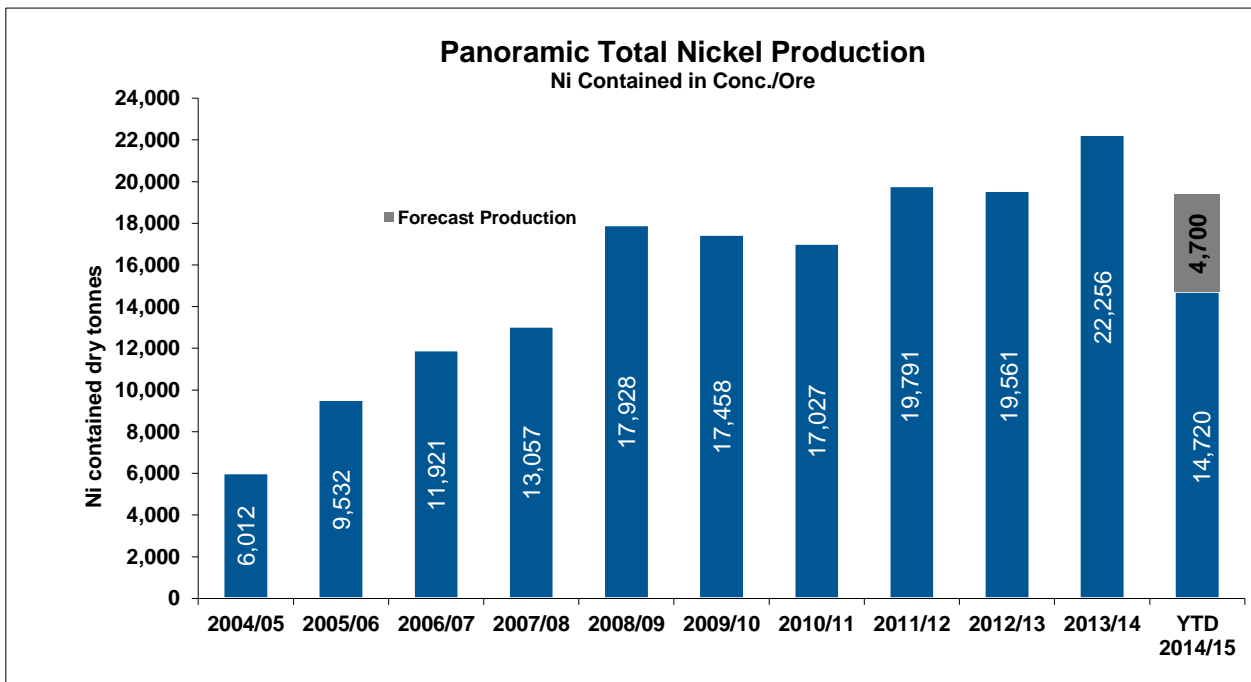
## Environment

There were no significant environmental incidents recorded and the operations operated within all statutory regulations and licence conditions.

## Nickel Division Production – Actual & Forecast

The Nickel Division produced 4,717t contained nickel in concentrate/ore. Following recent seismic activity at Lanfranchi which has required rescheduling of some Lanfranchi production into FY2016 (refer to the Lanfranchi Section of this report for more detail), Group nickel production for FY2015 is now forecast to be approximately 19,500t contained nickel in concentrate/ore.

**Figure 4 – Actual and Forecast Nickel Production**



## Nickel – Savannah Project

### General

The Savannah Project produced 2,259t Ni, 1,306t Cu and 114t Co contained in concentrate.

Total ore tonnes mined increased by 6% over the quarter, including mining 21,300t of Copernicus ore. Milling was impacted in March by a scheduled six day shutdown for a full mill reline, which resulted in ~21,000t of ore on the ROM pad at the end of the quarter.

Savannah is on track to meet FY2015 Budgeted metal production.

Three concentrate shipments for a combined 2,026t contained nickel were exported. As at 31 March 2015, there was 572t contained nickel in concentrate at Wyndham waiting to be shipped. **To reduce the stockpile of concentrate, two shipments of concentrate were made in April.**

### Savannah North/Western Splay/Sub 900 Fault

An update on the Resource drilling below the 900 Fault and on the Western Splay, together with an update of the Savannah North drilling is provided in the Exploration Section of this report.

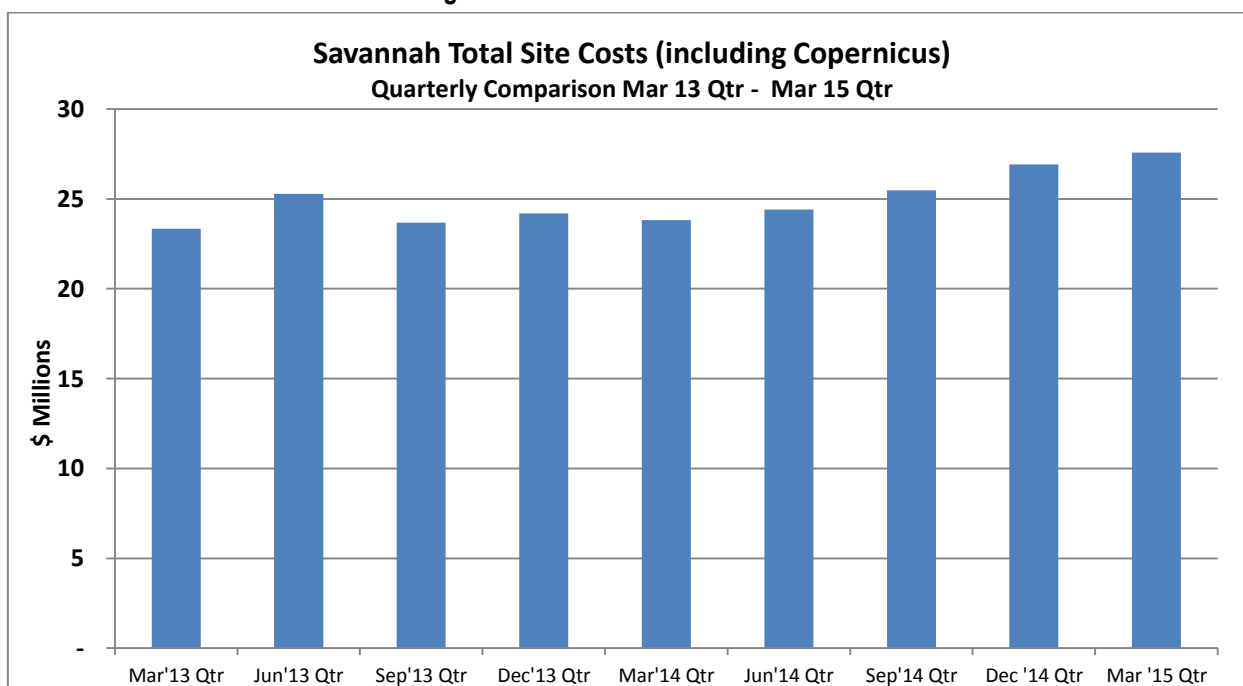
**Table 2 – Savannah Project Operating Statistics (including Copernicus)**

| Area                          | Details                      | Units       | 3 mths ending<br>31 Mar 2015 | 3 mths ending<br>31 Dec 2014 | 2014/15<br>YTD | 2013/14<br>Full Year |
|-------------------------------|------------------------------|-------------|------------------------------|------------------------------|----------------|----------------------|
| <b>Mining</b>                 | Ore mined                    | dmt         | 219,541                      | 206,523                      | 633,120        | 760,335              |
|                               | Ni grade                     | %           | 1.23                         | 1.19                         | 1.20           | 1.29                 |
|                               | Ni metal contained           | dmt         | 2,696                        | 2,466                        | 7,571          | 9,815                |
|                               | Cu grade                     | %           | 0.66                         | 0.64                         | 0.66           | 0.75                 |
|                               | Co grade                     | %           | 0.06                         | 0.06                         | 0.06           | 0.06                 |
| <b>Milling</b>                | Ore milled                   | dmt         | 204,837                      | 200,415                      | 613,947        | 759,150              |
|                               | Ni grade                     | %           | 1.26                         | 1.16                         | 1.20           | 1.29                 |
|                               | Cu grade                     | %           | 0.68                         | 0.64                         | 0.66           | 0.75                 |
|                               | Co grade                     | %           | 0.06                         | 0.06                         | 0.06           | 0.06                 |
|                               | Ni Recovery                  | %           | 87.2                         | 86.0                         | 86.8           | 86.6                 |
|                               | Cu Recovery                  | %           | 94.1                         | 94.5                         | 94.6           | 95.1                 |
|                               | Co Recovery                  | %           | 89.2                         | 88.6                         | 89.2           | 89.3                 |
| <b>Concentrate Production</b> | Concentrate                  | dmt         | 29,616                       | 27,505                       | 86,044         | 117,122              |
|                               | Ni grade                     | %           | 7.63                         | 7.28                         | 7.41           | 7.24                 |
|                               | Ni metal contained           | dmt         | 2,259                        | 2,003                        | 6,378          | 8,481                |
|                               | Cu grade                     | %           | 4.41                         | 4.39                         | 4.45           | 4.64                 |
|                               | Cu metal contained           | dmt         | 1,306                        | 1,207                        | 3,826          | 5,439                |
|                               | Co grade                     | %           | 0.38                         | 0.40                         | 0.39           | 0.36                 |
|                               | Co metal contained           | dmt         | 114                          | 111                          | 333            | 426                  |
|                               | <b>Concentrate Shipments</b> | Concentrate | dmt                          | 27,053                       | 27,490         | 83,493               |
| Ni grade                      |                              | %           | 7.49                         | 7.29                         | 7.37           | 7.25                 |
| Ni metal contained            |                              | dmt         | 2,026                        | 2,004                        | 6,154          | 8,593                |
| Cu grade                      |                              | %           | 4.14                         | 4.50                         | 4.36           | 4.51                 |
| Cu metal contained            |                              | dmt         | 1,121                        | 1,237                        | 3,638          | 5,346                |
| Co grade                      |                              | %           | 0.37                         | 0.38                         | 0.37           | 0.36                 |
| Co metal contained            |                              | dmt         | 101                          | 104                          | 312            | 428                  |

## Costs

Total site operating and capital costs of \$27.5 million (including ~\$1.4 million Copernicus mining and trucking costs), were up 3% on the previous quarter (\$26.7 million). The higher quarterly nickel production resulted in a 9% decrease in the average payable unit cash cost (including royalties) to A\$5.68/lb.

**Figure 5 – Savannah Total Site Costs**



*Photo 1 – Surface Drilling at Savannah North*



## Nickel – Lanfranchi Project

### General

The Lanfranchi Project produced 109,546 tonnes of ore at 2.24% Ni for 2,458t Ni contained, which was below budget and down 13% on the previous quarter.

Following high-grade drill intercepts in Lower Schmitz, the 9000 drill drive was commenced during the quarter to provide a location for future diamond drilling. The establishment of the drill drive led to some interaction issues with ore production from the Deacon orebody which resulted in lower than budget ore production in March. Development rates for the Jury-Metcalf decline/exploration drive were increased to give production flexibility in FY2016, which resulted in more waste being mined during the quarter compared to budget.

Two separate seismic events on 12 and 26 April 2015, in the vicinity of the Deacon orebody, have resulted in some production losses during April. These events, together with the rescheduling of some Deacon production into FY2016, will impact production during the June 2015 quarter. Forecast production for FY2015 is now ~10,700t Ni in ore compared to the FY2015 Budget of 11,650t Ni in ore. The Group FY2015 Production Guidance has been adjusted accordingly.

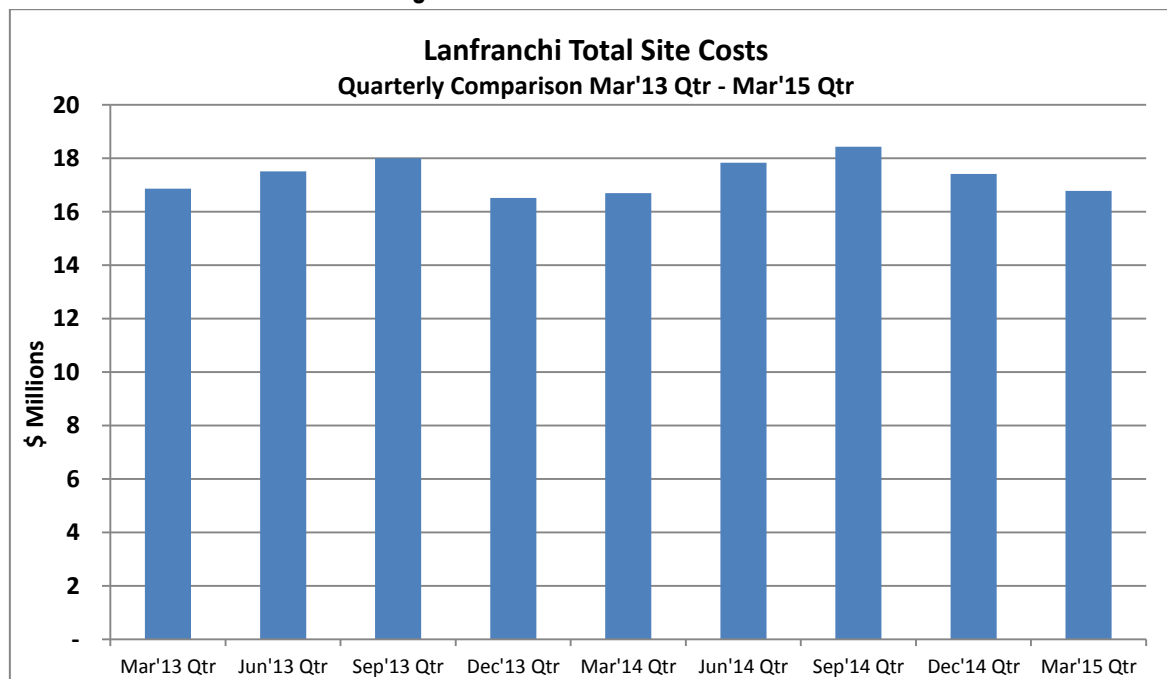
**Table 3 – Lanfranchi Project Operating Statistics**

| Area                 | Details            | Units | 3mths ending<br>31 Mar 2015 | 3mths ending<br>31 Dec 2014 | 2014/15<br>YTD | 2013/14<br>Full Year |
|----------------------|--------------------|-------|-----------------------------|-----------------------------|----------------|----------------------|
| <b>Mining</b>        | Ore mined          | dmt   | <b>109,546</b>              | 125,450                     | 366,305        | 518,273              |
|                      | Ni grade           | %     | <b>2.24</b>                 | 2.25                        | 2.28           | 2.66                 |
|                      | Ni metal contained | dmt   | <b>2,458</b>                | 2,822                       | 8,342          | 13,775               |
|                      | Cu grade           | %     | <b>0.20</b>                 | 0.25                        | 0.21           | 0.23                 |
| <b>Ore Delivered</b> | Ore delivered      | dmt   | <b>106,890</b>              | 130,697                     | 365,479        | 521,514              |
|                      | Ni grade           | %     | <b>2.21</b>                 | 2.31                        | 2.27           | 2.64                 |
|                      | Ni metal contained | dmt   | <b>2,363</b>                | 3,017                       | 8,285          | 13,794               |
|                      | Cu grade           | %     | <b>0.20</b>                 | 0.25                        | 0.21           | 0.23                 |

## Costs

Total site costs of \$16.8 million, including operating and capital were down 3% on the previous quarter (\$17.4 million). The lower nickel production resulted in a 12% increase in the average payable unit cash cost (including royalties) to A\$6.34/lb.

**Figure 6 – Lanfranchi Total Site Costs**



## Lower Schmitz

In January 2015, the Company announced three significant zones of high-grade nickel sulphide mineralisation had been intersected down-plunge of the Schmitz orebody. The original EM survey suggested an open-ended target plate of approximately 300m x 100m. Additional high-grade mineralisation has been intersected and the more recent EM survey indicates that the Lower Schmitz mineralisation could extend at least another 100m further to the north.

An update on the Lower Schmitz discovery is provided in the Exploration Section of this report.

## Jury-Metcalfe

On 20 November 2014, the Company announced that it had committed to a six to nine month plan to develop the Jury-Metcalfe decline/exploration drill drive. The decline will allow access to the Jury-Metcalfe orebody and provide exploration drill platforms to further explore the Jury-Metcalfe area and Lower Schmitz. This decision was made immediately after securing separate terms under the existing Lanfranchi Ore Tolling and Concentrate Purchase Agreement (OTCPA) for Jury-Metcalfe ore deliveries (*refer to ASX announcement of 19 November 2014*). The decision to commence production at Jury-Metcalfe will be made during the September 2015 quarter and will be dependent upon the prevailing and forecast A\$ nickel price. The discovery of the new high-grade mineralisation at Lower Schmitz and the exploration activities on Lower Schmitz may also impact on the decision and timing of the mining of Jury-Metcalfe.

## Native Title

As referred to in the Company's December 2014 Quarterly Report, the Federal Court has made a Determination of native title in favour of the Ngadju People, the consequence of which is that the Company's tenements at the Lanfranchi Project are invalid to the extent that they are inconsistent with the continued existence, enjoyment or exercise of native title rights held by the Ngadju People.

The Determination and Orders can be found at the following link:

[www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2014/2014fca1247](http://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2014/2014fca1247)

The Determination has now been appealed by some of the Respondents to the Determination and the Company has been joined as a non-participating Respondent Party to the Ngadju appeal proceedings.

Lanfranchi continues to operate as normal and Panoramic will monitor the matter and update the market of any material developments.



## Base Metal Exploration

### FY2015 Exploration Programs

The principal aim of the Group's exploration programs is to add mine life at both nickel operations. A number of targets have been, and are being tested, with the majority of work on near-mine exploration. There has been significant success at both Savannah and Lanfranchi in 2015, which is detailed below.

### Savannah and East Kimberley Regional

#### Savannah North Project

Since the initial Savannah North discovery hole in February 2014 (refer ASX announcement of 18 February 2014), further drilling has identified two zones (an Upper and Lower zone) of "Savannah Style" magmatic breccia textured massive sulphide mineralisation over a broad area (refer to ASX announcements of 28 April 2014, 30 May 2014 and 28 July 2014). Both the Upper and Lower mineralised zones remain open towards the west and northwest (Figure 7).

All drill results reported are down-hole lengths and not true widths. Drill results received during and after the quarter and 2012 JORC Compliance Tables for the reporting of Exploration Results are contained in Appendix 1.

Based on the available drill data, the Company estimated an Exploration Target for the Upper Zone with a tonnage range of 3.2 to 6.4 million tonnes and a grade range of 1.5% to 2.1% Ni (Table 4):

**Table 4: Savannah North Exploration Target and supporting assumptions**

| Width of mineralisation | Plunge extent of mineralisation | Approximate thickness of mineralisation | Assumed average density | Exploration target grade range %Ni |      | Exploration target tonnage range |
|-------------------------|---------------------------------|-----------------------------------------|-------------------------|------------------------------------|------|----------------------------------|
| (metres)                | (metres)                        | (metres)                                |                         | Low - High                         |      | (millions tonnes)                |
| 350                     | 600                             | 4.0                                     | 3.8                     | 1.5%                               | 2.1% | 3.2                              |
| 350                     | 700                             | 5.0                                     | 3.8                     | 1.5%                               | 2.1% | 4.7                              |
| 350                     | 800                             | 6.0                                     | 3.8                     | 1.5%                               | 2.1% | 6.4                              |

**Cautionary / Clarifying Statement** – the Exploration Target reported here is not a Mineral Resource. The Exploration target reported uses information gained from a combination of actual drill results from surface and underground drilling and supporting geophysical surveys. The level of exploration carried out to date is insufficient to define a Mineral Resource. The Exploration Target reported is conceptual in nature requiring further exploration. The planned exploration activities to further test Savannah North are provided below. It remains uncertain if further exploration will result in the estimation of a Mineral Resource.

Further information on the Savannah North Exploration Target and a summary of the relevant drill holes used to derive the approximate thickness and grade of the mineralisation at Savannah is provided in the Company's ASX announcement of 28 July 2014.

Work on the Savannah North 1570mRL Drill Drive is complete and the Savannah North Maiden Resource Drill program is underway. The program will target a 450m section of Savannah North mineralisation between 5700mE to 6150mE (Figure 7). Drilling will be on a 50m x 50m pattern, comprising approximately 70 holes for a total of 25,000 drill metres. Two rigs will undertake the program with an anticipated duration of approximately five to six months. **It is important to note that based on more recent drilling (refer to ASX announcement of 17 April 2015), the Savannah North mineralisation now extends over 900m (between 5400mE and 6300mE) and the maiden Resource drill program is only targeting a small portion of that area.**

As reported by the Company on 18 February 2015, a new program of surface drilling was conducted at Savannah North. The aim of the surface drilling was to test for extensions of the Savannah North mineralisation to the east and west and to test for possible links between the Savannah orebody and the Savannah North mineralisation.

The first hole of the program (SMD161) was drilled to the south-east of Savannah North and returned an intersection of 6.83m @ 0.80% Ni, 0.29% Cu and 0.05% Co from 814.54m, including 3.91m @ 1.00% Ni, 0.33% Cu and 0.06% Co. The down-hole electromagnetic (DHEM) survey of SMD161 identified two significant, on-hole anomalous responses.

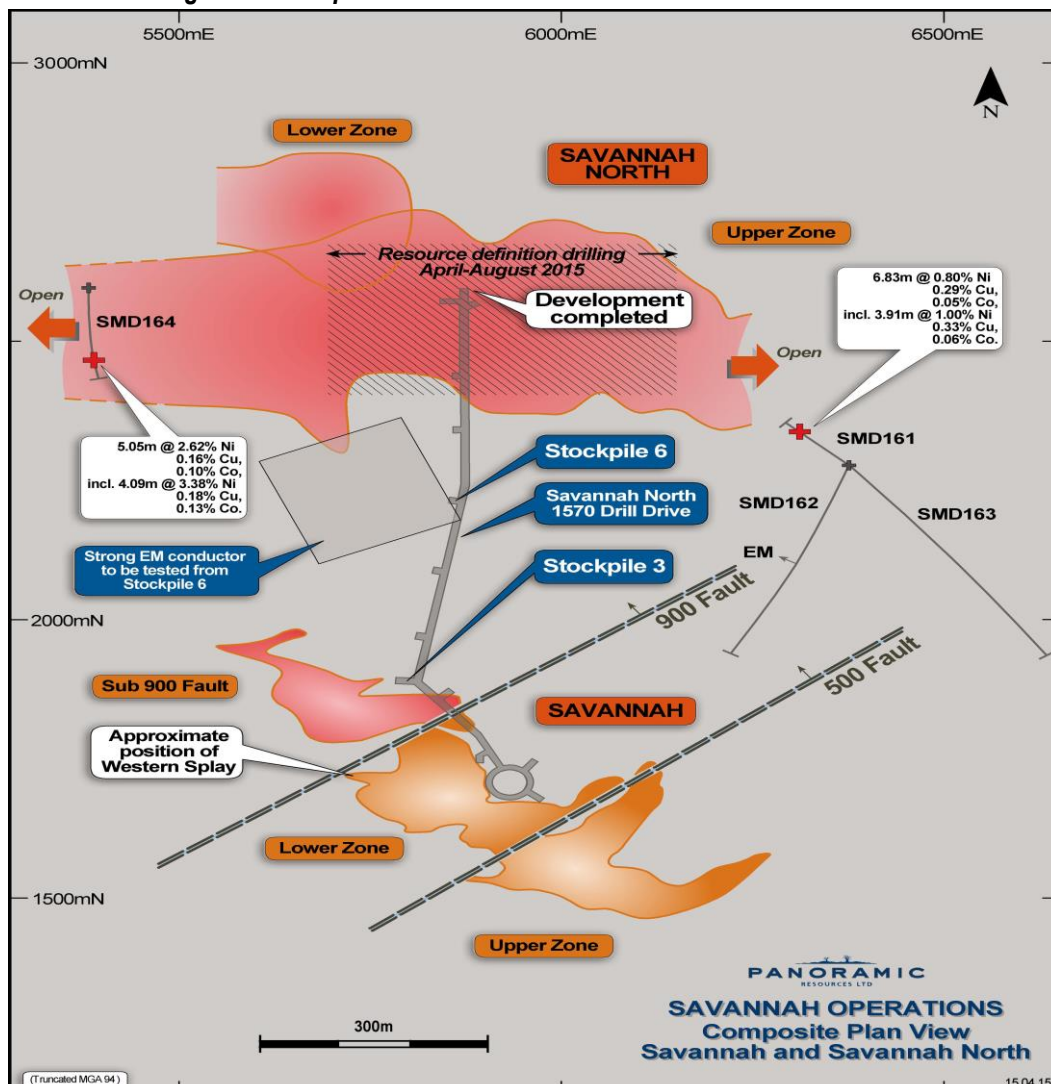
The upper response at 820m coincides with the intersection of 6.83m @ 0.80%Ni and is modelled as a **150m x 300m plate** with the source centred to the east of the hole.

The lower response at 880 metres coincides with the base of the North Olivine Gabbro (NOG) intrusion. This is the more dominant response, and is modelled as a **large 250m x 600m plate**, with the bulk of the response located down dip to the north of the hole. The source is interpreted to be associated with the main body of the Savannah North mineralisation.

Drill holes SMD162, 163 and 164 have also been completed (*Figure 7*). SMD162 and 163 were drilled specifically to test for possible geological links between the Savannah orebody and Savannah North and were not expected to intersect mineralisation. The DHEM survey of SMD162 identified two anomalies. The first is a clear off-hole anomaly at 600m depth which coincides with the base of the NOG intrusive complex. The source of this anomaly is interpreted to be located to the west of the hole. The second, lower off-hole anomaly, is evident towards the end of the hole and is consistent with the hole approaching another conductive source below the hole. The lower section of SMD162 will be re-surveyed in an attempt to further clarify this EM response. DHEM surveys are pending for SMD163 and SMD164.

Drill hole SMD164 was targeted to test the projected down-plunge continuation of the Savannah North mineralisation to the west. The hole was collared within Tickalara Metamorphics, and as anticipated intersected the NOG at a depth of 130 metres and stayed within the intrusion until intersecting **5.05m of Savannah North style massive sulphide mineralisation grading 2.62% Ni, 0.16% Cu and 0.10% Co** at a depth of 1,325.45m. Within the intersection is a zone of **4.09m @ 3.38% Ni, 0.18% Cu and 0.13% Co**. The position of this intersection is very significant as it extends the previous western limit of the Savannah North mineralisation by at least a further 250m to the west, where it remains open.

**Figure 7 – composite Plan View of Savannah and Savannah North areas**



## Savannah Sub-900 Fault - Resource Definition Drill Program

The Sub 900 Fault Resource drill program is complete. The program was conducted from Stockpile 3 in the Savannah North 1570 Drill Drive (*Figure 7*). Work has begun to estimate the Sub 900 Fault Mineral Resource. It is anticipated the Resource for this zone will be included in the June 2015 Resource and Reserve Statement. Better drill results for the quarter (*refer to ASX announcement of 17 April 2015*) include:

- **13.10m @ 2.56% Ni from 323.0m (KUD1370);**
- **14.70m @ 2.66% Ni from 305.0m (KUD1375); and**
- **17.05m @ 2.19% Ni from 354.3m (KUD1383).**

## Lower Zone Western Splay Program

Prior to being re-located to the Savannah North 1570 drive at the end March, the second Savannah underground drill rig conducted an infill program of Resource definition holes into the Lower Zone Western Splay (*Figure 7*). The Western Splay is a lens of mineralisation that originates from the main Savannah orebody and extends westwards for up to 250 metres into the surrounding Tickalara Metamorphics. It has been a consistent feature of the Savannah orebody from surface to the base of the Lower Zone. As drill sites become available, possible extensions to the Western Splay below the 900 Fault are being tested.

**Results to date from the Western Splay drilling have significantly exceeded expectations.** Drilling has been targeting an area between the 1470RL down to the 900 Fault, a vertical extent of approximately 100m. Good widths of moderate to high-grade Savannah Style mineralisation have been intersected in many holes. The intercepts extend the Western Splay mineralisation to the west and north as it approaches the 900 Fault. Recent results received during the quarter (*refer to ASX announcement of 17 April 2015*) include:

- **11.60m @ 1.79% Ni from 69.3m (KUD1377);**
- **40.90m @ 0.96% Ni from 85.2m (KUD1379);**
- **13.10m @ 2.53% Ni from 95.9m (KUD1380);**
- **16.00m @ 2.07% Ni from 109.0m (KUD1392); and**
- **17.72m @ 1.76% Ni from 84.8m (KUD1405).**

## East Kimberley JV (EKJV) (Panoramic ~100% or 80%)

In May 2014, the Company acquired the remaining 31% interest in the EKJV Project. Since the acquisition, no significant field activities have been undertaken on the tenements.

## Copernicus

Mining operations continued at Copernicus. No exploration was undertaken.

## Lanfranchi

### Lower Schmitz History

In January 2015, the Company announced that three significant zones of high-grade nickel sulphide mineralisation had been intersected in drill hole SMT373A (**6.10m @ 5.73% Ni from 482.90m, 6.80m @ 5.02% Ni from 525.30m and 6.50m @ 6.11% Ni from 550.54m**) down-plunge of the Schmitz orebody (*refer to ASX announcements of 21 and 23 January 2015*). Drill hole SMT373A was targeted at a large, **100m x 300m, open-ended electromagnetic (EM) anomaly**, that was identified late last year down plunge of the Schmitz orebody in drill hole SMT366 (*refer to ASX announcement of 21 November 2014*).

Following the Lower Schmitz discovery in January, the exploration focus at Lanfranchi has been on following-up the discovery.

Based on the size and strength of the Lower Schmitz EM anomaly and the significance of the SMT373A intersections, development of an access drive from the Deacon Decline to the Lower Schmitz position has commenced and is on track for completion in September 2015. This will allow Resource definition drilling to commence during the December 2015 quarter. In the meantime, two underground diamond drill rigs are targeting the Lower Schmitz area.

## Lower Schmitz recent drill results

Drill hole SMT377A, collared from in the Schmitz 4510 hanging wall drill drive, **intersected 14.60m @ 2.87% Ni from 700.8m, including 4.61m @ 6.04% Ni from 701.8m** (refer to ASX announcement of 20 April 2015). The intersection was achieved approximately 20m to the south of the discovery hole SMT373A (Figure 8). SMT377B is underway and importantly, can also be used to collar a number of associated daughter holes.

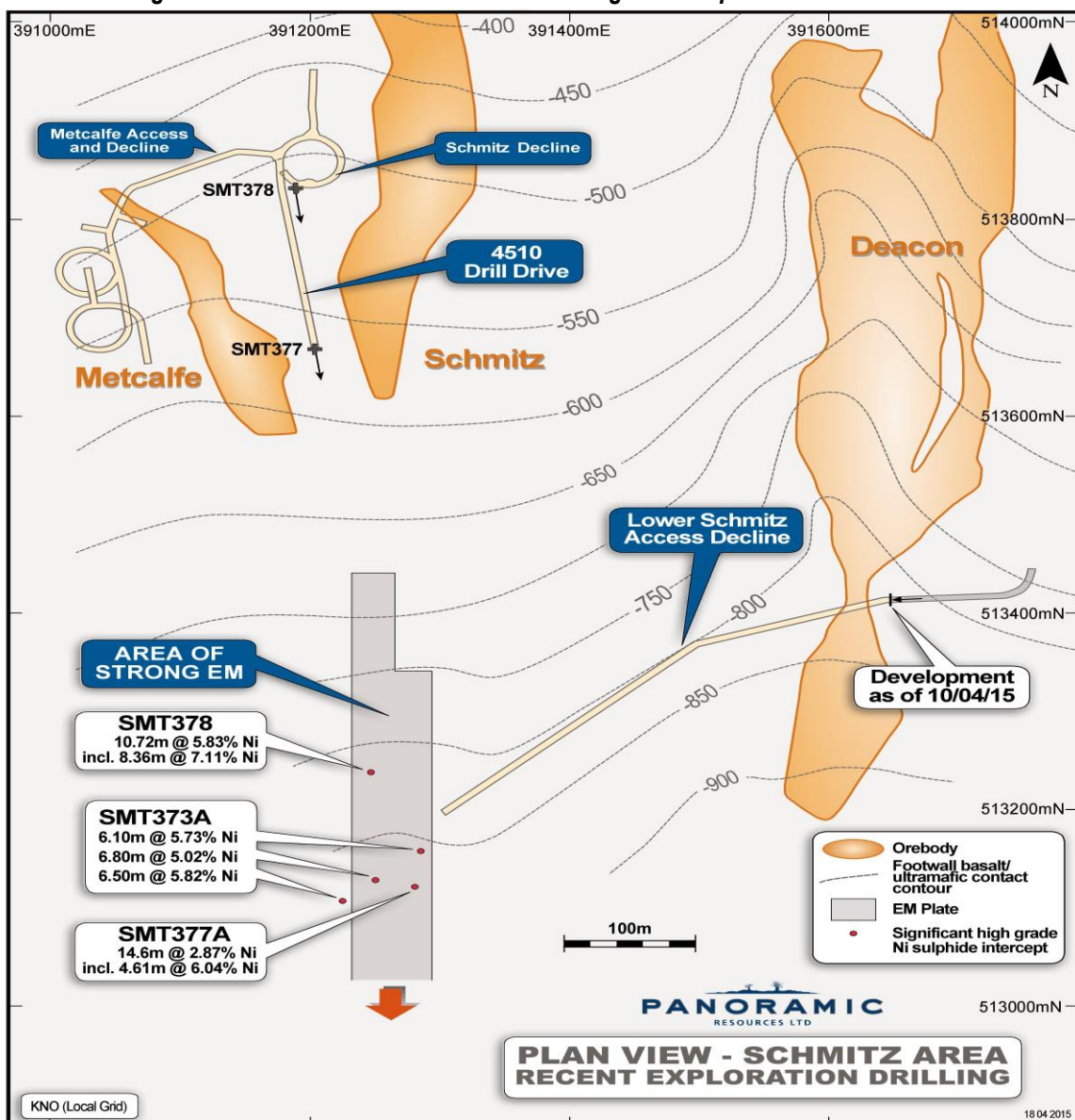
A down hole EM (DHEM) survey has been completed in SMT377A. The initial interpretation (incorporating EM survey data from 2014 drill holes SMT338, 342 and 366) indicates **the Lower Schmitz mineralisation may extend at least another 100m further to the north.**

A second underground drill rig, which was mobilised to Lanfranchi in mid-March, is positioned in the footwall basalt sequence towards the base of the Schmitz decline. This rig has completed its first hole (SMT378), intersecting an impressive **10.72 m @ 5.83% Ni from 678.98m, including 8.36 m @ 7.11% Ni from 679.17m**. This intersection is 120m up-plunge from the initial Lower Schmitz discovery hole SMT373A.

Drill hole SMT378A is underway, targeting a point 100m to the north of the SMT378 intersection. The Company will continue to use both rigs to infill the area immediately north of the initial discovery in SMT373A.

All drill results reported are down-hole lengths and not true widths. Drill results received during and after the quarter and 2012 JORC Compliance Tables for the reporting of Exploration Results are contained in Appendix 2.

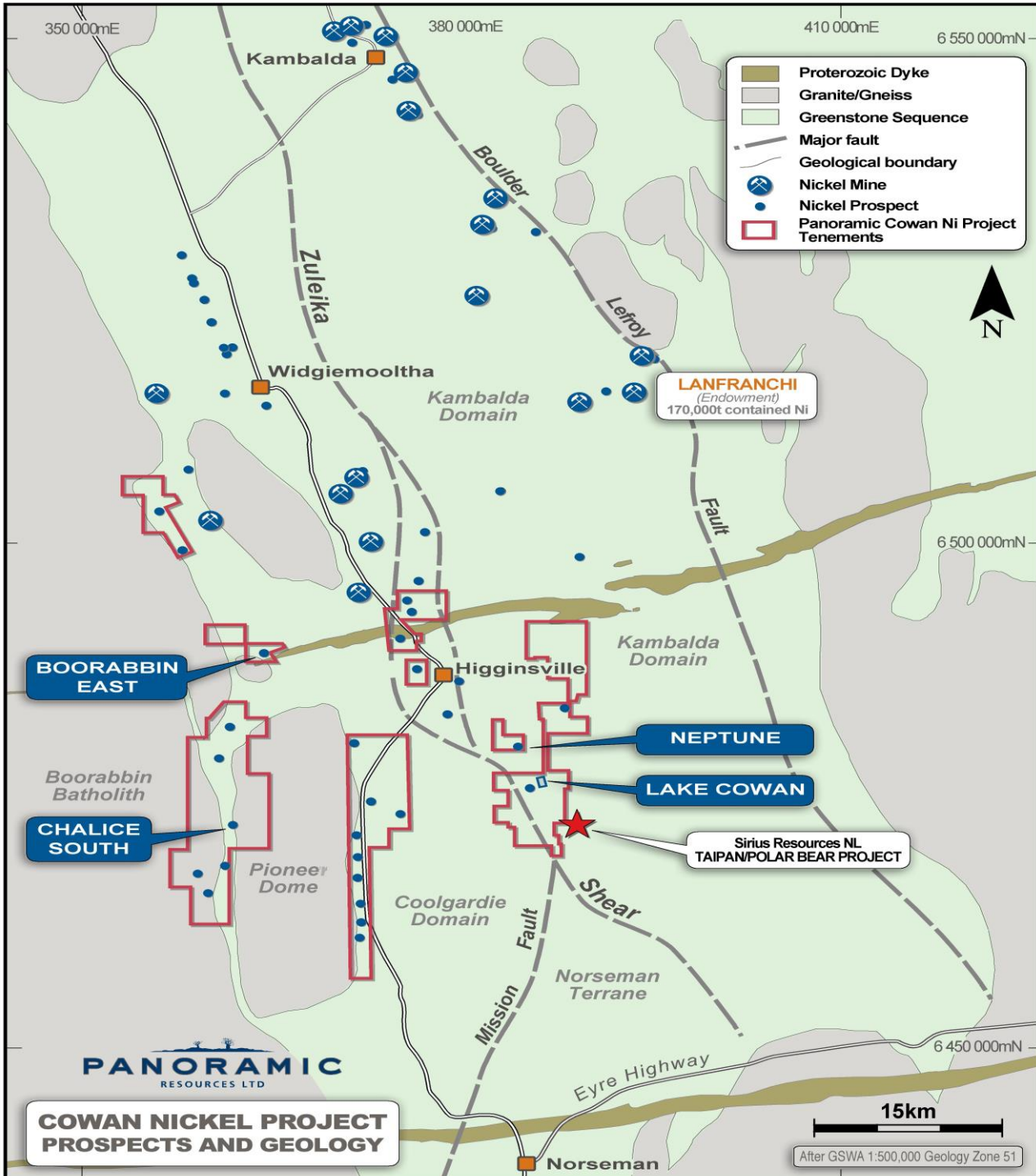
**Figure 8 – Plan View of Schmitz area showing latest exploration drill results**



## Cowan Nickel Project, WA (Panoramic holds 100% nickel rights)

A ground EM survey program commenced at Lake Cowan, however was abandoned due to heavy rain. The program will resume in the June 2015 quarter.

**Figure 9 – Cowan Nickel Project - Tenements and recent EM Target testing areas**



## Drake Resources Exploration Alliance - Scandinavia

Panoramic and Drake Resources Limited (“Drake”) have an alliance to identify, explore and develop base and precious metal opportunities across Scandinavia. The Company continued to work with Drake on the Sulitjelma Project in Norway and notified Drake that it was withdrawing from the Lokken and Hersjo/Nordgruva Projects.

In August 2014, a 70km<sup>2</sup> airborne electromagnetic (VTEM) and magnetic survey was undertaken at Sulitjelma (Figure 10). The survey covered areas of historic mining activity which ceased operation in the late 1980s with a total of more than 25.5 million tonnes of copper/zinc ore extracted from the Nordgruvfeltet (Northern Mining Field) and Sydgruvfeltet (Southern Mining Field). The initial assessment of the VTEM survey data identified 11 anomalies, which was then reduced to seven targets following subsequent field inspection.

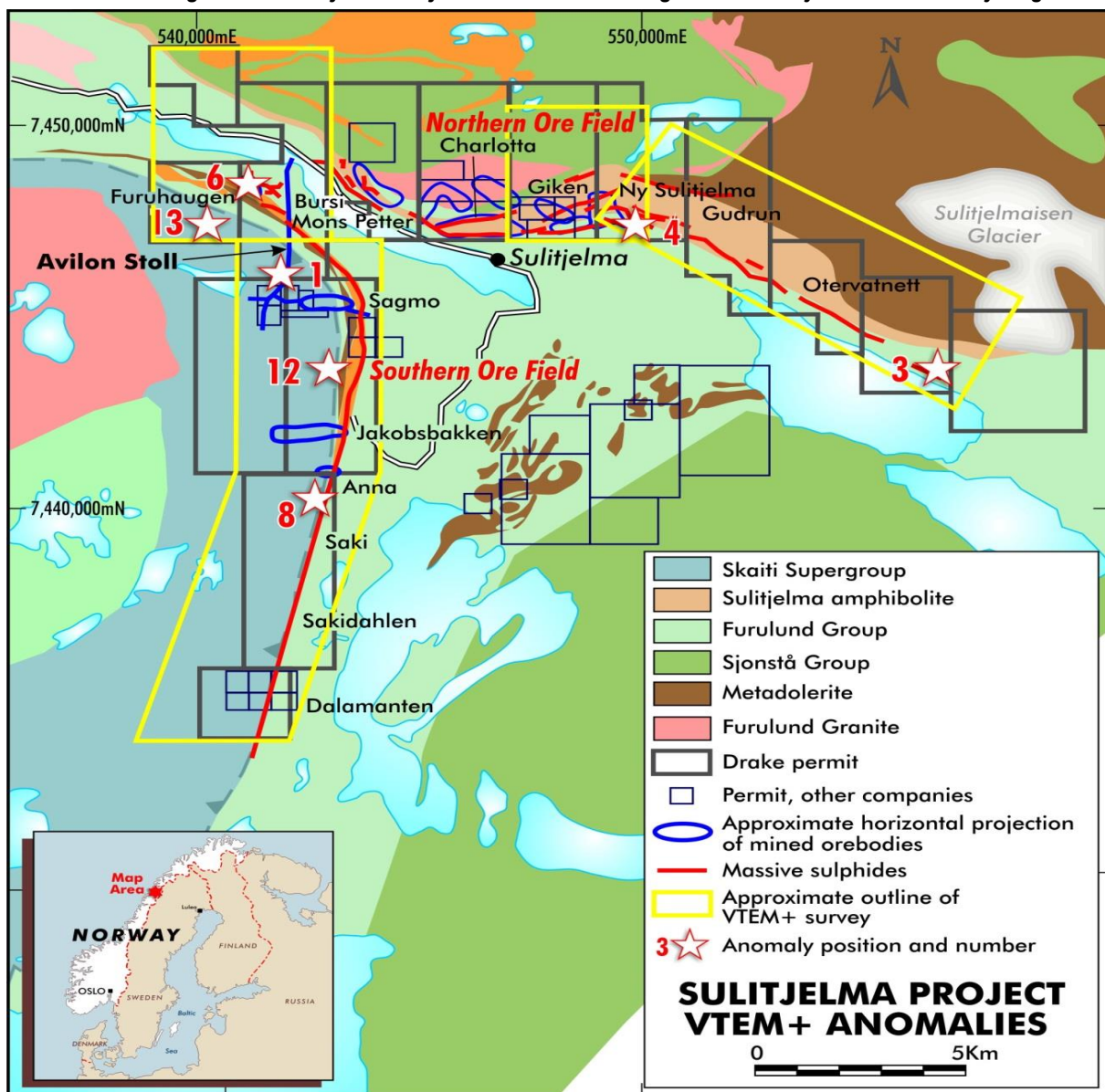
The Sulitjelma VTEM survey interpretation has now been completed with six priority targets identified.

Four targets are located within the western thrust or Southern Ore Field which is an area of known massive sulphide mineralisation mapped over a ~10km north/south direction. This area hosts the Sagmo (1.9Mt mined at 1.6%Cu and 0.23%Zn) and the Jakobsbakken (4.47Mt mined at 1.55% Cu and 2.42% Zn) historic orebodies.

Two anomalies have been selected from the Northern Ore Field, an extensive conductive horizon with a strike length in excess of 5kms located along strike from the main Sulitjelma mines of Ny Sulitjelma (2.59Mt at 1.99%Cu and 0.55%Zn) and Giken.

A program of ground EM surveying has commenced over the Sulitjelma targets in order to better define and quantify each target ahead of possible drill testing later in 2015.

**Figure 10 - Sulitjelma Project Plan View showing VTEM survey area and Priority targets**



## Gold – Gidgee Project

### Background

The Gidgee Gold Project is located 640km NE of Perth and 130km SW of Wiluna and covers approximately 1,200km<sup>2</sup> of the Gum Creek greenstone belt.

### Feasibility Study

The Feasibility Study is continuing with Resource estimation work being undertaken for the Swan and Swift open pit Resources to make them compliant with 2012 JORC Resource Reporting Standards.

### Exploration

Arrangements have been finalised to cover the Gidgee Project tenements with heli-borne EM and ground gravity surveys during the June 2015 quarter.

## Gold – Mt Henry Joint Venture (Panoramic 70%, Matsa 30%)

The Mt Henry JV tenements cover 52.57km<sup>2</sup> and are located south of Norseman in Western Australia. Panoramic is undertaking a Bankable Feasibility Study (BFS) on the Mt Henry Gold Project.

Panoramic is now in the final stages of the feasibility study documentation.

### Mt Henry Regional Exploration JV (Panoramic 70%, Matsa 30%)

No work was undertaken during the quarter.

## Gold – WA Exploration Projects (ex-Magma)

Under the Laverton Farm-in Agreement between Poseidon Nickel Limited (Poseidon) and Magma Metals Pty Ltd (100% owned by Panoramic), Poseidon has the sole and exclusive right to earn a 60% interest in the tenements by sole funding an additional \$2,700,000 in expenditure on the tenements within the period of three years commencing on 3 June 2014. At least 75% of the \$2,700,000 must be incurred on activities within the Target Area. Poseidon is required to contribute not less than \$700,000 to expenditure after 14 July 2014 before it is able to withdraw from the Agreement.

## PGM – Thunder Bay North Project

The Thunder Bay North (TBN) Project is located near Thunder Bay in northwest Ontario, Canada. The advanced exploration project claims cover an aggregate area of 40,816 hectares (*Figure 11*). The TBN Project Resource contains **10.4Mt at 1.13g/t Pt and 1.07g/t Pd for ~0.4Moz Pt and ~0.4Moz Pd** (*refer to ASX announcement of 30 September 2014 for disclosures on the TBN Resource*) with exploration potential at depth and along strike.

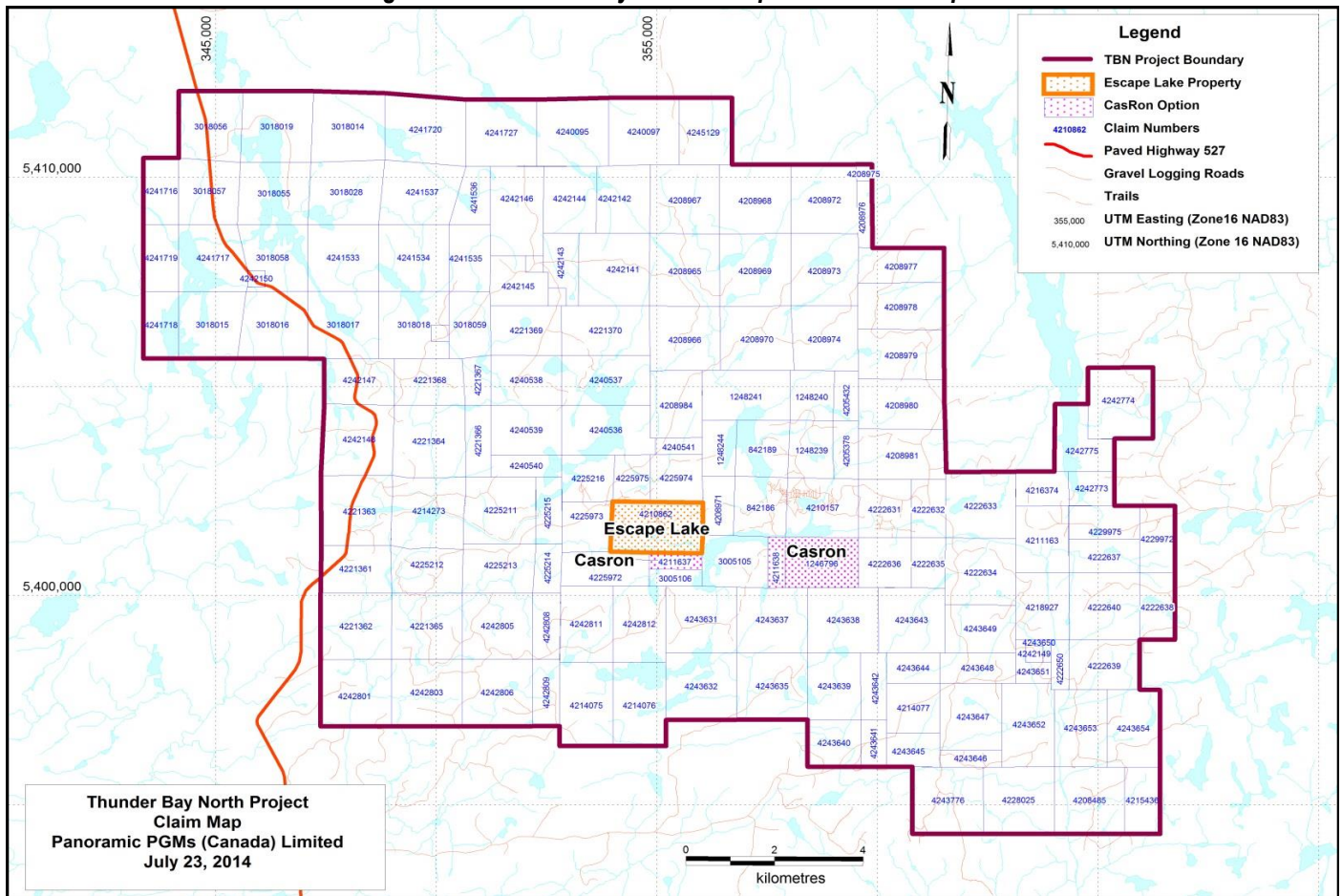
On 30 July 2014, Panoramic announced that its wholly owned subsidiary, Panoramic PGMs (Canada) Limited (PANP), had signed an Earn-in with Option to Joint Venture Agreement (Agreement) with Rio Tinto Exploration Canada Inc. (RTEC), a wholly owned subsidiary of Rio Tinto, to consolidate their respective Platinum Group Metal (PGM) projects in northwest Ontario, Canada. RTEC holds a single tenement called Escape Lake (EL) within the core of the TBN tenement package (*Figure 11*). PANP and RTEC have recognised that the best way of realising value from both Projects is to combine TBN and EL into a single project (Consolidated Property).

On 16 January 2015, the Company announced that RTEC had exercised its right under the Agreement by electing to move into the Earn-in Option Phase (Phase 2) of the Agreement. Under the terms of Phase 2, RTEC can earn a 70% interest in the TBN Project by sole funding C\$20 million of expenditure over a five year period (minimum spend of C\$5 million before RTEC can withdraw). During this period, RTEC will be responsible for managing the Consolidated Property and ensuring the tenements are kept in good standing. If RTEC does not earn its 70% interest, PANP has certain rights to purchase 100% of EL.

This is a positive development for the TBN Project as it will bring the skills and resources of RTEC into the Project and continues to support Panoramic's views of the prospectivity of the Project.

RTEC has now finalised their exploration program for 2015 and activities have commenced.

**Figure 11 – Thunder Bay North/Escape Lake Claim Map**





## PGM – Panton Project

Panton is located 60km south of the Savannah Nickel Project in the East Kimberley region of Western Australia. **Panton is a significant PGM Resource containing ~1.0Moz Pt at 2.2g/t and ~1.1Moz Pd at 2.4g/t** (refer to ASX Announcement of 30 September 2014 on “Mineral Resources and Ore Reserves at 30 June 2014” for disclosures on the Resource) with exploration potential at depth and along strike.

Panoramic considers the Panton Project to be a quality PGM development asset which fits within the Company’s commodity diversification and growth strategy. In March 2012, the previous owner announced the results of a review of the 2003 Bankable Feasibility Study Review (2012 BFS Review).

New metallurgical test work on fresh Panton mineral samples commenced during the quarter. The objective of the first phase of work is to improve flotation performance, increase recoveries and to produce higher grade PGM concentrates. Results to date have been positive.

No field activities were undertaken during the quarter.

## Corporate

### Liquid Assets & Debt

Cash on hand at the end of the quarter was \$61 million plus trade receivables of \$11 million, **for a total of \$72 million in current liquid assets**. Despite lower nickel prices during the quarter and the resulting impact of negative final invoice pricing adjustments, the operations (inclusive of Perth Office costs and greenfield exploration) still managed to generate a **\$12 million operating surplus in the quarter** after net working capital movements.

The operating surplus was used to fund the following investment activities:

- Plant and equipment of ~\$2 million
- **Group development expenditure of ~\$7 million, including the new exploration drives; and**
- Group exploration expenditure of ~\$3 million.

At 31 March 2015, Savannah had 572t Ni contained in stockpiled concentrate (valued at ~\$6 million) which was recognised as inventory and valued at cost. The sales revenue on this concentrate, which has since been shipped, will be booked in the June 2015 quarter.

Group finance leases on mobile equipment and insurance premiums at 31 March 2015 totalled \$4.0 million.

### Interim Dividend

On 26 February 2015, based on the strong first-half cash generating performance of the operations, the Company declared a fully-franked interim dividend of 1.0 cent per share. A total of ~\$3.2 million in interim dividends was paid to shareholders on 2 April 2015.

### Cost Savings and Productivity Initiatives

**In light of the recent pullback in nickel prices, there has been a renewed focus and commitment to secure additional and sustainable cost savings and productivity improvements across the business.**

### Share Buy-Back

On 15 December 2014, the Company announced that it intended to conduct an on-market share buy-back of up to 15.96 million shares. At that time, the Board believed that the Company’s shares were trading at a level which significantly undervalued the Company’s assets. The merits of this capital management initiative will be monitored during 2015 and the Company will keep the market informed of the buy-back process.

As at the date of this release, 851,809 shares in the Company had been bought back at an average share price of \$0.3909, with all shares having been subsequently cancelled. Following cancellation, the issued capital of the Company is 321,424,015 shares.

## Hedging

During the quarter, the Company purchased ~2.0 million litres of US\$ diesel call options at an exercise price of US\$0.48/litre for delivery July 2015 to December 2015 (330,000 litres per month) and 3.0 million litres of US\$ diesel call options at an exercise price of US\$0.55/litre for delivery January 2016 to June 2016 (500,000 litres per month).

**Table 5 – Group Hedge Book – A\$ Mark-to-Market Valuation as at 31 March 2015**

| Commodity                         | Mark-to-Market<br>31 Mar 2015 |
|-----------------------------------|-------------------------------|
| Bought US\$ Nickel Put Options    | \$0.4 million                 |
| Sold US\$ Nickel Call Options     | -                             |
| Bought US\$ Diesel Call Options   | \$0.1 million-                |
| Sold US\$ Diesel Put Options      | (\$0.4 million)               |
| Bought US\$ Currency Put Options  | -                             |
| Sold US\$ Currency Call Options   | (\$2.7 million)               |
| Bought US\$ Currency Call Options | \$0.4 million                 |
| <b>Total Mark-to-Market</b>       | <b>(\$2.2 million)</b>        |

**Table 6 – Group Hedge Book – Delivery Profile as at 31 March 2015**

| Commodity                                                           | Quantity<br>31 Mar 2015 | Average Price/Rate<br>31 Mar 2015  |
|---------------------------------------------------------------------|-------------------------|------------------------------------|
| <b><u>Nickel</u> –</b>                                              |                         |                                    |
| <b>Bought Nickel Put Options</b><br>(delivery Apr 2015)             | 50t                     | US\$18,000/t<br><b>US\$8.16/lb</b> |
| <b>Sold Nickel Call Options</b><br>(delivery to Apr 2015)           | 50t                     | US\$22,000/t<br>US\$9.98/lb        |
| <b><u>Diesel</u> –</b>                                              |                         |                                    |
| <b>Bought Diesel Call Options</b><br>(delivery Apr 2015-Jun 2015)   | 400,000litres/mth       | US\$0.82/litre                     |
| <b>Bought Diesel Call Options</b><br>(delivery Jul 2015-Dec 2015 )  | 330,000litres/mth       | US\$0.48/litre                     |
| <b>Bought Diesel Call Options</b><br>(delivery Jan 2016-June 2016 ) | 500,000litres/mth       | US\$0.55/litre                     |
| <b>Sold Diesel Put Options</b><br>(delivery Apr 2015-Jun 2015)      | 400,000litres/mth       | US\$0.686/litre                    |
| <b><u>US\$:A\$ FX</u> –</b>                                         |                         |                                    |
| <b>Bought US\$ Put Options</b><br>(delivery Apr 2015-Jun 2015)      | US\$15 million          | US\$0.95 FX                        |
| <b>Sold US\$ Call Options</b><br>(delivery Apr 2015-Jun 2015)       | US\$15 million          | US\$0.8788 FX                      |
| <b>Bought US\$ Call Options</b><br>(delivery Apr 2015-Jun 2015)     | US\$4.25 million        | US\$0.82 FX                        |

## About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and is forecasting to produce approximately 19,500t contained nickel in FY2015.

Following the successful development of the nickel projects, the Company diversified its resource base to include gold and platinum group metals (PGM). The Gold Division consists of the Gidgee Project located near Wiluna and the Mt Henry Project (70% interest), near Norseman. Both projects are currently under feasibility study. The PGM Division consists of the Pantom Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada.

Panoramic has been a consistent dividend payer and has paid out a total of \$114 million in fully franked dividends since 2008. At 31 March 2015, Panoramic had \$61 million in cash, no bank debt and employed approximately 400 people.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining company in the S&P/ASX 100 Index. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record.

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The information in this release that relates to Exploration Targets and Exploration Results is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights in relation to Panoramic Resources Limited. Mr Hicks has sufficient experience that is relevant to the style of mineralisation and type of target/deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

## Appendix 1

### Savannah Project – Tabulation of Drill Hole Assay Results and JORC 2012 Compliance Tables

| Hole    | East (m) | North (m) | RL (m) | Dip (°) | Azi (°) | EOH (m) | From (m) | To (m) | Intercept       | Cu (%) | Co (%) |
|---------|----------|-----------|--------|---------|---------|---------|----------|--------|-----------------|--------|--------|
| KUD1370 | 395790.5 | 8081891.5 | 1541.8 | -60.1   | 269.0   | 527.40  | 303.60   | 304.07 | 0.47m @ 3.17 %  | 0.11   | 0.15   |
|         |          |           |        |         |         |         | 314.90   | 317.30 | 2.40m @ 0.63 %  | 0.59   | 0.04   |
|         |          |           |        |         |         |         | 323.00   | 336.10 | 13.10m @ 2.56 % | 0.79   | 0.13   |
|         |          |           |        |         |         |         | 400.10   | 407.60 | 7.50m @ 2.48 %  | 0.61   | 0.13   |
|         |          |           |        |         |         |         | 420.57   | 420.90 | 0.33m @ 0.57 %  | 0.89   | 0.03   |
| KUD1371 | 395821.9 | 8082099.6 | 1513.1 | -48.5   | 336.4   | 509.40  |          |        | NS              |        |        |
| KUD1372 | 395794.3 | 8081890.9 | 1541.7 | -73.5   | 113.3   | 239.70  |          |        | NSR             |        |        |
| KUD1373 | 395794.2 | 8081890.3 | 1541.7 | -64.1   | 128.8   | 212.30  | 123.25   | 124.10 | 0.85m @ 0.50 %  | 0.22   | 0.03   |
|         |          |           |        |         |         |         | 175.00   | 178.00 | 3.00m @ 0.52 %  | 0.15   | 0.04   |
|         |          |           |        |         |         |         | 186.90   | 189.65 | 2.75m @ 0.98 %  | 0.33   | 0.07   |
| KUD1374 | 395794.2 | 8081889.7 | 1541.7 | -52.4   | 139.2   | 176.30  | 78.00    | 80.10  | 2.10m @ 1.32 %  | 0.38   | 0.08   |
|         |          |           |        |         |         |         | 109.80   | 110.15 | 0.35m @ 0.83 %  | 0.37   | 0.05   |
|         |          |           |        |         |         |         | 152.50   | 152.80 | 0.30m @ 2.05 %  | 0.10   | 0.15   |
|         |          |           |        |         |         |         | 155.65   | 156.00 | 0.35m @ 1.99 %  | 0.18   | 0.17   |
| KUD1375 | 395790.3 | 8081891.4 | 1541.8 | -56.8   | 266.5   | 341.40  | 305.00   | 319.70 | 14.70m @ 2.66 % | 0.80   | 0.15   |
| KUD1376 | 395742.8 | 8081780.0 | 1517.1 | -17.5   | 205.6   | 98.80   | 84.16    | 88.70  | 4.54m @ 1.82 %  | 2.38   | 0.08   |
| KUD1377 | 395742.6 | 8081780.3 | 1515.4 | -48.8   | 212.7   | 110.80  | 69.30    | 80.90  | 11.60m @ 1.79 % | 0.86   | 0.09   |
| KUD1378 | 395742.5 | 8081780.5 | 1516.0 | -60.8   | 216.6   | 152.70  | 67.70    | 75.80  | 8.10m @ 2.78 %  | 0.88   | 0.12   |
| KUD1379 | 395742.1 | 8081780.4 | 1517.1 | -15.1   | 224.1   | 143.70  | 85.25    | 126.15 | 40.90m @ 0.96 % | 1.00   | 0.04   |
| KUD1380 | 395742.0 | 8081780.5 | 1516.7 | -29.6   | 228.0   | 122.80  | 95.90    | 109.00 | 13.10m @ 2.53 % | 0.76   | 0.11   |
|         |          |           |        |         |         |         | 112.00   | 112.70 | 0.70m @ 0.52 %  | 1.34   | 0.03   |
| KUD1381 | 395742.0 | 8081780.6 | 1516.2 | -45.6   | 232.2   | 131.60  | 85.70    | 94.90  | 9.20m @ 1.58 %  | 1.66   | 0.07   |
|         |          |           |        |         |         |         | 105.60   | 110.35 | 4.75m @ 3.15 %  | 1.74   | 0.14   |
| KUD1382 | 395742.0 | 8081780.5 | 1516.3 | -56.9   | 234.9   | 131.50  | 76.80    | 84.10  | 7.30m @ 1.15 %  | 2.80   | 0.06   |
|         |          |           |        |         |         |         | 98.00    | 99.40  | 1.40m @ 0.61 %  | 0.28   | 0.02   |
| KUD1383 | 395790.5 | 8081891.5 | 1541.8 | -61.9   | 263.9   | 411.60  | 272.00   | 273.50 | 1.50m @ 1.20 %  | 0.52   | 0.07   |
|         |          |           |        |         |         |         | 312.90   | 313.90 | 1.00m @ 0.92 %  | 0.13   | 0.06   |
|         |          |           |        |         |         |         | 326.70   | 328.60 | 1.90m @ 0.46 %  | 3.14   | 0.04   |
|         |          |           |        |         |         |         | 354.30   | 371.35 | 17.05m @ 2.19 % | 0.51   | 0.12   |
| KUD1384 | 395742.7 | 8081780.0 | 1517.7 | 2.7     | 207.0   | 182.70  |          |        | NS              |        |        |
| KUD1385 | 395741.7 | 8081780.6 | 1517.0 | -14.6   | 234.8   | 131.70  |          |        | NS              |        |        |
| KUD1386 | 395741.6 | 8081780.6 | 1516.6 | -27.8   | 238.9   | 162.60  |          |        | NSR             |        |        |
| KUD1387 | 395741.6 | 8081780.6 | 1515.6 | -46.5   | 244.9   | 151.70  | 109.15   | 115.23 | 6.08m @ 0.87 %  | 3.56   | 0.05   |
| KUD1388 | 391781.0 | 8085741.4 | 1515.8 | -53.3   | 248.6   | 136.50  | 89.20    | 89.80  | 0.60m @ 0.99 %  | 14.30  | 0.05   |
|         |          |           |        |         |         |         | 93.28    | 96.77  | 3.49m @ 0.75 %  | 10.09  | 0.04   |
|         |          |           |        |         |         |         | 109.40   | 116.06 | 6.66m @ 0.86 %  | 2.43   | 0.05   |
| KUD1389 | 395791.0 | 8081890.9 | 1541.8 | -77.0   | 256.7   | 97.50   |          |        | NS              |        |        |
| KUD1390 | 395790.9 | 8081891.0 | 1541.8 | -77.0   | 251.0   | 331.70  | 309.05   | 312.38 | 3.33m @ 1.19 %  | 0.27   | 0.08   |
| KUD1391 | 395741.3 | 8081780.7 | 1516.3 | -35.4   | 242.2   | 146.20  | 116.75   | 119.50 | 2.75m @ 2.20 %  | 0.39   | 0.10   |
|         |          |           |        |         |         |         | 123.70   | 125.70 | 2.00m @ 1.68 %  | 4.73   | 0.09   |
| KUD1392 | 395741.2 | 8081780.8 | 1516.0 | -41.2   | 244.7   | 146.60  | 109.00   | 125.00 | 16.00m @ 2.07 % | 0.88   | 0.09   |
|         |          |           |        |         |         |         | 130.36   | 136.45 | 6.09m @ 2.35 %  | 0.68   | 0.10   |
| KUD1393 | 395743.4 | 8081779.6 | 1517.2 | -12.8   | 188.1   | 95.60   | 73.65    | 82.40  | 8.75m @ 2.65 %  | 1.34   | 0.12   |
| KUD1394 | 395743.2 | 8081779.6 | 1516.9 | -23.9   | 195.9   | 98.80   | 77.10    | 85.85  | 8.75m @ 1.14 %  | 3.77   | 0.05   |
| KUD1395 | 395743.3 | 8081779.9 | 1515.9 | -58.4   | 190.5   | 106.20  | 66.35    | 70.95  | 4.60m @ 1.48 %  | 0.58   | 0.06   |
| KUD1396 | 395741.2 | 8081780.7 | 1516.2 | -31.2   | 243.4   | 170.50  |          |        | NS              |        |        |
| KUD1397 | 395740.8 | 8081781.0 | 1515.9 | -34.7   | 251.9   | 152.10  |          |        | NS              |        |        |
| KUD1398 | 395740.6 | 8081781.3 | 1515.8 | -35.0   | 258.1   | 144.50  |          |        | NSR             |        |        |
| KUD1399 | 395790.6 | 8081892.2 | 1541.8 | -60.4   | 289.1   | 512.40  | 474.10   | 474.35 | 0.25m @ 1.20 %  | 0.09   | 0.06   |
| KUD1400 | 395790.3 | 8081892.2 | 1541.8 | -55.1   | 288.0   | 500.40  |          |        | NS              |        |        |
| KUD1402 | 395741.3 | 8081781.3 | 1515.8 | -44.8   | 254.8   | 157.90  | 140.50   | 142.25 | 1.75m @ 0.88 %  | 9.89   | 0.06   |
| KUD1403 | 395741.6 | 8081781.4 | 1515.8 | -59.7   | 254.9   | 161.30  | 114.44   | 125.12 | 10.68m @ 1.61 % | 0.89   | 0.08   |
|         |          |           |        |         |         |         | 133.20   | 133.60 | 0.40m @ 1.30 %  | 0.42   | 0.07   |
|         |          |           |        |         |         |         | 139.57   | 140.40 | 0.83m @ 2.70 %  | 1.36   | 0.15   |
|         |          |           |        |         |         |         | 143.65   | 145.65 | 2.00m @ 0.88 %  | 0.92   | 0.05   |

| Hole    | East (m) | North (m) | RL (m) | Dip (°) | Azi (°) | EOH (m)   | From (m)                                                          | To (m)                                                             | Intercept                                                                                                                   | Cu (%)                                               | Co (%)                                               |
|---------|----------|-----------|--------|---------|---------|-----------|-------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| KUD1404 | 395742.8 | 8081780.5 | 1515.8 | -77.4   | 210.3   | 117.80    |                                                                   |                                                                    | Results pending                                                                                                             |                                                      |                                                      |
| KUD1405 | 395741.9 | 8081781.6 | 1515.8 | -70.9   | 257.2   | 152.50    | 84.85<br>116.30<br>123.10<br>128.75<br>135.88<br>138.13<br>142.40 | 102.57<br>117.50<br>123.44<br>129.20<br>136.13<br>138.46<br>143.76 | 17.72m @ 1.76 %<br>1.20m @ 4.17 %<br>0.34m @ 4.28 %<br>0.45m @ 2.04 %<br>0.25m @ 1.42 %<br>0.33m @ 1.94 %<br>1.36m @ 0.79 % | 0.89<br>1.33<br>3.16<br>0.34<br>8.21<br>0.52<br>0.89 | 0.08<br>0.19<br>0.20<br>0.10<br>0.08<br>0.10<br>0.04 |
| KUD1406 | 395744.0 | 8081780.3 | 1515.8 | -64.9   | 169.9   | 100.10    |                                                                   |                                                                    | Results pending                                                                                                             |                                                      |                                                      |
| KUD1409 | 395745.0 | 8081780.5 | 1515.8 | -58.3   | 141.2   | 107.50    |                                                                   |                                                                    | Results pending                                                                                                             |                                                      |                                                      |
| KUD1410 | 395744.9 | 8081780.7 | 1515.8 | -73.5   | 138.4   | 118.10    |                                                                   |                                                                    | Results pending                                                                                                             |                                                      |                                                      |
| KUD1411 | 395741.7 | 8081782.3 | 1515.7 | -62.7   | 268.3   | 185.40    |                                                                   |                                                                    | Results pending                                                                                                             |                                                      |                                                      |
| KUD1412 | 395741.8 | 8081782.3 | 1515.8 | -65.9   | 279.4   | 205.90    |                                                                   |                                                                    | Results pending                                                                                                             |                                                      |                                                      |
| SMD161  | 396383.0 | 8082268.6 | 2360.6 | -82.1   | 307.0   | 997.00    | 814.54<br>825.10<br>875.50                                        | 821.37<br>826.15<br>876.70                                         | 6.83m @ 0.80 %<br>1.05m @ 0.79 %<br>1.20m @ 0.82 %                                                                          | 0.29<br>0.26<br>0.09                                 | 0.05<br>0.05<br>0.05                                 |
| SMD162  | 396388.6 | 8082268.6 | 2360.8 | -70.1   | 201.1   | 1027.00   |                                                                   |                                                                    | NS                                                                                                                          |                                                      |                                                      |
| SMD163  | 396389.6 | 8082277.7 | 2360.9 | -62.0   | 135.6   | 876.80    |                                                                   |                                                                    | NS                                                                                                                          |                                                      |                                                      |
| SMD164  | 393385.7 | 8082596.6 | 2385.7 | -85.4   | 175.0   | 1560.90   | 1325.45                                                           | 1330.50                                                            | 5.05m @ 2.62 %                                                                                                              | 0.16                                                 | 0.10                                                 |
|         |          |           |        |         |         | Including | 1325.45                                                           | 1329.50                                                            | 4.09m @ 3.38%                                                                                                               | 0.18                                                 | 0.13                                                 |

Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 0.50% Ni lower-cut off, maximum internal waste 4.0m, minimum intercept 0.5m
- Sub 900 Fault Resource holes have collar RLs of 1541.8m
- Lower Zones Western Splay holes have collar RLs of about 1516m
- SMD prefix designate surface holes
- NSR – no significant result
- NS – no sample

## Savannah Project – Table 1, Section 1 - Sampling Techniques and Data

| Criteria                                              | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sampling techniques</b>                            | <ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <ul style="list-style-type: none"> <li>The Savannah deposit and surrounding exploration areas are typically sampled by diamond drilling techniques. Over 1500 holes have been drilled for a total in excess of 220,000m. The majority of holes were drilled from underground drill platforms.</li> <li>About the mine the drillhole spacing is a nominal 25x25m grid spacing over the extent of the mineralisation.</li> <li>All drillhole collars were surveyed using Leica Total Station survey equipment by a registered surveyor. Downhole surveys were typically performed every 30 metres using either "Reflex EZ Shot" or "Flexit Smart Tools".</li> <li>All diamond core is geologically logged with samples (typically between 0.2 metre to 1 metre long) defined by geological contacts. Analytical samples include a mix of full and sawn half core samples. Sample preparation typically involves pulverising the sample to 90% passing 75 µm followed by either a 3 or total 4 acid digest and analysis by either AAS or ICP OES.</li> </ul> |
| <b>Drilling techniques</b>                            | <ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>A mix of LTK60 and NQ2 sized diamond drilling has been used to obtain &gt;90% of the data in the mine database. Exploration holes are typically NQ2 size. Some RC drilling has been used historically for the upper part of the mine.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Drill sample recovery</b>                          | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Diamond core recoveries are logged and recorded in the database. Overall recoveries are &gt;99% and there are no apparent core loss issues or significant sample recovery problems.</li> <li>Depths checked against core blocks, regular rod counts, driller breaks checked by fitting core together.</li> <li>No relationship exists between sample recovery and grade</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Logging</b>                                        | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>All holes have been geologically logged in full. Geotechnical logging was carried out on all diamond drill holes for recovery and RQD. Number of defects (per interval) and roughness was carried out around the ore zones. Structure type, alpha angle, infill, texture and healing is stored in the structure table of the database.</li> <li>Logging of diamond core RC samples recorded lithology, colour, mineralisation, structural (DDH only) and other features. Core was photographed wet.</li> <li>All drill holes were logged in full.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Sub-sampling techniques and sample preparation</b> | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Analytical core samples included a mix of full and sawn half core samples.</li> <li>All samples from core</li> <li>All core sampling and sample preparation followed industry best practice.</li> <li>QC involved the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC was inserted in most sample batches.</li> <li>Original versus duplicate assay results have always shown strong correlation due to massive sulphide rich nature of the orebody.</li> <li>Sample sizes are considered appropriate to represent the Savannah style of mineralisation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                              |

| Criteria                                                       | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Quality of assay data and laboratory tests</b>              | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul> | <ul style="list-style-type: none"> <li>The Savannah Nickel Mine (SNM) standard analytical technique is a 3-acid digest with an AAS finish. The method best approaches total dissolution for most minerals. Exploration samples sent off-site are analysed using a 4-acid digest with either ICP OES or AAS finish (AAS for ore grade samples).</li> <li>No other analytical tools or techniques are employed.</li> <li>The onsite laboratory carries out sizing checks, uses internal standards, duplicates, replicates, blanks and repeats. A selection of roughly 10% of pulps was sent to external laboratories for repeat analysis and sizing checks. No bias has been identified.</li> </ul>                                                                              |
| <b>Verification of sampling and assaying</b>                   | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Drilling and sampling procedures at the SNM have been inspected by many stakeholders since the project began.</li> <li>Throughout the life of the mine, there have been several instances where holes have been twinned, confirming intersections and continuity.</li> <li>Holes are logged into Excel templates on laptops, data is then entered into MS Access database with user data entry front end built in. Data is ultimately transferred to SQL server from Perth office. Data periodically validated by site personnel.</li> <li>No adjustments have been made to assay data.</li> </ul>                                                                                                                                      |
| <b>Location of data points</b>                                 | <ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>All diamond drill hole collars were surveyed using Leica Total Station survey equipment by a registered surveyor. "Reflex EZ Shot" or "Flexit Smart Tool" was used for downhole surveys at approximately every 30m. Visual inspection in a 3D graphics environment using Surpac software failed to identify any obvious errors regarding the spatial position of drillhole collars or downhole surveys</li> <li>The mine grid is a truncated 4 digit (MGA94) grid system.</li> <li>Conversion from local grid to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +808000N</li> <li>Topographic control is of a high quality and is adequate for the resource estimation process</li> </ul> |
| <b>Data spacing and distribution</b>                           | <ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Nominal drill hole spacing of 25m (easting) by 25m (RL)</li> <li>The mineralized domains delineated by the drill spacing show enough continuity to support the classification applied under the 2012 JORC Code.</li> <li>No sample compositing has been undertaken.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Orientation of data in relation to geological structure</b> | <ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Drill hole orientation was largely perpendicular to the orebody with the exception of the western extent where drill platform positions allowed only for oblique intersections.</li> <li>No orientation sampling bias has been identified.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Sample security</b>                                         | <ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Samples transported to onsite lab by SNM staff. Samples sent off site are road freighted (Nexus transport) and tracked using spreadsheets onsite.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Audits or reviews</b>                                       | <ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>No audits/reviews of the sampling techniques have been undertaken in recent time. The procedures used are considered to be industry standard. Mine to mill reconciliation records throughout the life of the Savannah Project provide confidence in the sampling procedures.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## Savannah Project - Table 1, Section 2 - Reporting of Exploration Results

| Criteria                                                                | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mineral tenement and land tenure status</b>                          | <ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>The Savannah Nickel Mine (SNM) is an operating mine secured by 5 contiguous Mining Licences. All tenure is current and in good standing. SNM has the right to explore for and mine all commodities within the mine tenements.</li> <li>The SNM is an operating mine with all statutory approvals and licences in place to operate. The mine has a long standing off-take agreement to mine and deliver nickel sulphide concentrate to the Jinchuan Group in China.</li> </ul>                                                                                                                                                                                                                                                                                                                          |
| <b>Exploration done by other parties</b>                                | <ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Geology</b>                                                          | <ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>The SNM is based on mining ore associated with the Savannah Intrusion; a palaeo-proterozoic mafic/ultramafic magma conduit. The Ni-Cu-Co rich massive sulphide mineralisation occurs as "classic" magmatic breccias developed about the more primitive, MgO rich ores basal parts of the conduit.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Drill hole Information</b>                                           | <ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul> | <ul style="list-style-type: none"> <li>All exploration at SNM is conducted on the Savannah mine grid, which is a "4 digit" truncated MGA grid. Conversion from local to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000. RL equals AHD + 2,000m</li> <li>Savannah underground diamond drill holes are typically NQ2 size, though some deep holes are commenced HQ size and then reduced. Deep surface holes are commenced PQ size, then reduced to HQ and eventually NQ2 size</li> <li>All core is orientated and photographed prior to cutting and sampling</li> <li>All intersection intervals are reported as down-hole lengths and not true widths</li> <li>All assays are typically performed on the Savannah onsite laboratory, otherwise by SGS Laboratories in Perth</li> </ul> |
| <b>Data aggregation methods</b>                                         | <ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Weighted averages were calculated using parameters of 0.5% Ni lower cut-off, minimum reporting length of 1m and maximum internal waste of 7m.</li> <li>Cu and Co grades were determined by the defined Ni grade interval, ie they were not calculated independently.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Relationship between mineralisation widths and intercept lengths</b> | <ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>The geometry of the mineralisation reported herein with respect to the drill holes being reported has not been established.</li> <li>All intersection lengths reported in this accompanying release are down-hole lengths and not true widths.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Diagrams</b>                                                         | <ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Based on the limited level of data currently available for this area at Savannah it was deemed that a simplified plan and section view showing the location of the exploration drill results in relation to the main areas of the SNM operation was appropriate.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Balanced reporting</b>                                               | <ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Based on the fact that exploration results reported herein are from several drill holes, located well away from other mine drill holes, the report is considered to be sufficiently balanced.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



| Criteria                                  | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                   | Commentary                                                                                                                                                                                                            |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Other substantive exploration data</b> | <ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul> | <ul style="list-style-type: none"> <li>No other exploration data is considered material to this release at this stage.</li> </ul>                                                                                     |
| <b>Further work</b>                       | <ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>                                       | <ul style="list-style-type: none"> <li>The exploration results reported herein are for the Savannah North Project. Work is ongoing and further results will be reported if and when they become available.</li> </ul> |

## Appendix 2

### Lanfranchi Project – Tabulation of Drill Hole Assay Results and 2012 JORC Compliance Tables

**Table 1 – Tabulation of Lanfranchi Project Drill Hole Assay Results**

| Hole    | East (m) | North (m) | RL (m) | Dip (°) | Azi (°) | EOH (m)   | From (m) | To (m)         | Intercept       | Cu (%) | Co (%) |
|---------|----------|-----------|--------|---------|---------|-----------|----------|----------------|-----------------|--------|--------|
| SMT373  | 391916.4 | 6513685.0 | -800.0 | -2.3    | 230.5   | 523.80    | 0.00     | 7.20           | 7.2m @ 2.10 %   | 0.22   | 0.05   |
|         |          |           |        |         |         |           | 82.30    | 82.91          | 0.61m @ 1.04 %  | 0.06   | 0.02   |
|         |          |           |        |         |         |           | 90.67    | 91.27          | 0.60m @ 1.33 %  | 0.18   | 0.04   |
|         |          |           |        |         |         |           | 104.73   | 106.94         | 2.21m @ 2.11 %  | 0.12   | 0.05   |
| SMT373A |          |           |        |         |         | 626.46    | 449.72   | 452.46         | 2.74m @ 1.19 %  | 0.09   | 0.02   |
|         |          |           |        |         |         |           | 482.90   | 489.94         | 7.04m @ 5.13 %  | 0.37   | 0.11   |
|         |          |           |        |         |         |           | 497.00   | 498.62         | 1.62m @ 1.06 %  | 0.11   | 0.03   |
|         |          |           |        |         |         |           | 525.30   | 532.10         | 6.80m @ 5.02 %  | 0.46   | 0.09   |
|         |          |           |        |         |         |           | 550.54   | 551.25         | 0.71m @ 12.00 % | 0.24   | 0.21   |
|         |          |           |        |         |         | 552.76    | 557.04   | 4.28m @ 6.79 % | 0.49            | 0.12   |        |
| SMT373B |          |           |        |         |         | 553.24    |          | NSR            |                 |        |        |
| SMT375  | 391439.9 | 6514071.7 | -497.4 | -5.1    | 252.3   | 104.17    |          |                | NSR             |        |        |
| SMT376  | 391440.4 | 6514072.3 | -497.3 | -4.7    | 264.6   | 95.32     |          |                | NSR             |        |        |
| SMT377  | 391470.6 | 6513874.2 | -442.5 | -33.5   | 174.4   | 490.80    |          |                | NS              |        |        |
| SMT377A | 391470.6 | 6513874.2 | -442.5 | -33.5   | 174.4   | 821.00    | 700.80   | 715.40         | 14.60m @ 2.87%  | 0.09   | 0.04   |
|         |          |           |        |         |         | Including | 701.80   | 706.41         | 4.61m @ 6.04 %  | 0.13   | 0.09   |
| SMT378  | 391185.4 | 513833.6  | -506.1 | -29.4   | 171.1   | 715.90    | 678.98   | 689.70         | 10.72m @ 5.83 % | 0.43   | 0.09   |
|         |          |           |        |         |         | Including | 679.17   | 687.53         | 8.36m @ 7.11 %  | 0.52   | 0.11   |

**SMT** – drill holes SMT375 and 376 are geotech holes and not part of the Lower Schmitz exploration program

Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 1.0% Ni lower-cut off, maximum internal waste 1.0m, minimum intercept 0.4m
- NSR – no significant result
- NS – no sample

## Lanfranchi Project – Table 1, Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria                                              | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sampling techniques</b>                            | <ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <ul style="list-style-type: none"> <li>All sampling for exploration and resource estimation purposes at the Lanfranchi Nickel Mine (LNM) is based on diamond drill core. Sample selection is based on geological core logging. Individual samples typically vary between 0.2m and 1.2m in length.</li> </ul>                                                                                                                                                                                     |
| <b>Drilling techniques</b>                            | <ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Diamond drilling at LNM is typically NQ2 or LTK60 size. Occasionally BQ and HQ core size holes have been drilled.</li> </ul>                                                                                                                                                                                                                                                                                                                              |
| <b>Drill sample recovery</b>                          | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>All recovered diamond core is metre marked by on site geologists; any core loss is determined and recorded as part of the geological logging process. Core recovery is typically 100 percent.</li> <li>No relationship exists between core recovery and grade.</li> </ul>                                                                                                                                                                                 |
| <b>Logging</b>                                        | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>All core is geologically and geotechnically logged to a standard appropriate for mineral resource estimation purposes. Core is logged from start to end of hole without gaps. Core photography is not undertaken. Drill holes are logged using Excel templates that are code restricted to ensure that only approved data can be entered. The Excel templates are then uploaded to the Lanfranchi SQL Server drill hole database via Datashed.</li> </ul> |
| <b>Sub-sampling techniques and sample preparation</b> | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>All diamond core is cut using a clipper brick saw and half core sampled for assay. Quarter core samples are sent as part of the LNM QAQC process for check assaying. Sample intervals typically vary between 0.2m and 1.2m and are positioned as to not cross geological boundaries.</li> </ul>                                                                                                                                                           |

| Criteria                                                       | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Quality of assay data and laboratory tests</b>              | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul> | <ul style="list-style-type: none"> <li>All LNM drillhole samples are analysed by Kalassay Group's Kalgoorlie laboratory. The Laboratory process for LNM samples involves: Crush sample to &lt;3mm, pulverise to 90% passing 75um (lab blanks introduced and pulverised at this point). From the pulverised sample, a 0.2g assay aliquot is taken and weighed then digested by 4-Acid digest and analysed by ICP-OES instrument. Laboratory QA/QC is performed on standards, blanks and duplicates. The LNM policy is to scrutinize the results for QA/QC standards and blanks when assay jobs are reported and to request re-runs if result are <math>\pm 1SD</math> from the expected value.</li> <li>No other geophysical or analytical tools have been used to estimate grade.</li> <li>Certified Reference Material (QAQC) samples are routinely inserted during all sampling at LNM. In addition samples are routinely sent for check analysis at a different Laboratory. The QAQC results indicate that the diamond core assays being used for resource estimation at LNM are a fair representation of the material that has been sampled.</li> </ul> |
| <b>Verification of sampling and assaying</b>                   | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Significant intersections are calculated by mine geologists and verified/reported on a monthly basis by the Geology Manager.</li> <li>Twining of drillholes is not performed at LNM</li> <li>Assay data are imported directly from the Kalassay assay files and QA/QC validated via Datashed to the LNM SQL drillhole database.</li> <li>No adjustment to assay data is made.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Location of data points</b>                                 | <ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Drill hole collars are accurately surveyed for X,Y,Z and azimuth and dip by site Surveyors using "Total Station" control. Older holes may/may not have collar azimuth/dip measurements. Down-hole surveys are generally conducted using single shot or reflex multishot tools at 15m, 30m and every 30m thereafter.</li> <li>The LNM drill hole database contains both MGA94 and local mine grid (KNO) coordinates. All site geological and mine planning work is performed in the local KNO grid system.</li> <li>Conversion from KNO grid to MGA GDA94 Zone 51 is based on a two point transformation:<br/>389084.61E, 513790.88N = 389351.47E, 6513980.38N<br/>389044.77E, 513543.54N = 389313.70E, 6513732.77N</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Data spacing and distribution</b>                           | <ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>LNM resource estimation drill holes are typically drilled on a regular grid spacing that varies according to the size and consistency of the resource being drilled. Due to the consistent grade and low Coefficient of Variation of nickel mineralisation generally, resource definition drilling at LNM is more for volume estimation purposes than grade estimation.</li> <li>Data spacing is deemed to be sufficient for Mineral Resource estimation and reporting.</li> <li>No sample compositing is undertaken; all core samples are logged and analysed in full.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Orientation of data in relation to geological structure</b> | <ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Underground drill sites are not always ideally positioned for resource definition drilling however no sampling orientation bias is evident. The Ni grade is typically very consistent within individual resource domains and therefore drill orientation is not a determinant for reliable grade estimation</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Sample security</b>                                         | <ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>All diamond core samples are taken directly from site to Kalassay for analysis via a local courier service. Sample security is considered adequate.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Criteria                 | JORC Code explanation                                                                                                   | Commentary                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Audits or reviews</b> | <ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul> | <ul style="list-style-type: none"> <li>All the LNM Mineral Resource estimates are audited by independent consultants BM Geological Services. Minor adjustments to model dimensions, geostatistical analysis and application of top-cuts (where required) and adjustments to search parameters have been made on occasions following this audit process.</li> </ul> |

## Lanfranchi Project – Table 1, Section 2 – Reporting of Exploration Results

| Criteria                                                                | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mineral tenement and land tenure status</b>                          | <ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>The Lanfranchi Nickel Mine (LNM) is an operating mine secured by a contiguous block of 35 Mineral Leases, 1 mining Lease and 1 Prospecting Licence, covering the Tramways Dome 40km south of Kambalda in WA. All tenure is current and in good standing. Panoramic Resources Limited (Panoramic) has the right to explore for and mine all commodities within the tenements other than gold.</li> <li>The LNM is an operating mine with all statutory approvals and licences in place to operate. The mine operates under an off-take agreement to mine and deliver nickel ore to BHP-Billiton's Nickel West Kambalda concentrator.</li> </ul> |
| <b>Exploration done by other parties</b>                                | <ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>The LNM and tenements were purchased in JV by Panoramic in 2004 from WMC Resources Ltd. Panoramic secured 100% of the LNM in and tenements in February 2009. WMC had explored the region and held the Lanfranchi Tramways tenements since 1967. WMC commenced mining at the LNM in 1976.</li> </ul>                                                                                                                                                                                                                                                                                                                                            |
| <b>Geology</b>                                                          | <ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>The LNM mines nickel ores from several "classic" Kambalda style, komatiite hosted, nickel sulphide deposits about the Tramways Dome.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Drill hole Information</b>                                           | <ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul> | <ul style="list-style-type: none"> <li>Panoramic routinely drills surface and/or underground exploration holes about the Tramways Dome in search of additional nickel sulphide mineralisation. Details of the LNM exploration holes mentioned in this accompanying document can be found in Table 1, Appendix 2.</li> <li>Although documented herein, the results are not considered material to the ongoing future of the mine or its current Resource and Reserve position.</li> </ul>                                                                                                                                                                                              |
| <b>Data aggregation methods</b>                                         | <ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Weighted averages were calculated using the Intercept Calculator within the DBMS DataShed. Parameters used were 1.0% lower cut-off, minimum reporting length of 1m, maximum internal waste of one consecutive metre.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Relationship between mineralisation widths and intercept lengths</b> | <ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>All the LNM exploration drilling is conducted and reported on according to the KNO local grid system. Where the geometry of the mineralisation is known the estimated true width of mineralisation will be reported. Where the mineralisation geometry is not sufficiently known the down-hole intersection length of mineralisation is reported, and clearly stated to be the case.</li> </ul>                                                                                                                                                                                                                                                |
| <b>Diagrams</b>                                                         | <ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Based on the low material nature of the LNM exploration results being reported on, the diagram in the body of the</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Criteria                                  | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                   | Commentary                                                                                                                                                                                                                        |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           | significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.                                                                                                                                                                                                                                                                            | accompanying report is considered sufficiently appropriate.                                                                                                                                                                       |
| <b>Balanced reporting</b>                 | <ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>                                                                                                                                                             | <ul style="list-style-type: none"> <li>Based on the very low material nature of the LNM exploration results being reported on in the accompany document, the report is considered to be sufficiently balanced.</li> </ul>         |
| <b>Other substantive exploration data</b> | <ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul> | <ul style="list-style-type: none"> <li>No other exploration data is considered material to this report at this stage.</li> </ul>                                                                                                  |
| <b>Further work</b>                       | <ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>                                       | <ul style="list-style-type: none"> <li>Routine exploration drilling is ongoing at the LNM. The results reported herein will have no material effect on the planned exploration programs currently underway at the LNM.</li> </ul> |